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Daily Report

East Europe

FBIS-EEU-96-118
Tuesday
18 June 1996

Daily Report
East Europe

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NOTICE: This volume contains a representative selection of material previously disseminated in softcopy format.

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Albania: Daily on Activity of Sigurimi 'Spy,' OSCE Observer

AU1406202396 Tirana ATA in English 1247 GMT 14 Jun 96

[FBIS Transcribed Text] Tirana, June 14 (ATA)—Tue Magnussen, Danish observer in the May 26 elections, having both the mandate of the Socialist Party [PS] and of the OSCE [Organization for Security and Cooperation in Europe] (ODIHR) [Office of Democratic Institution for Human Rights], has been recruited in service of the State Security structures since 1970, when he first came to Albania, the newspaper ALBANIA reports on Friday [14 June].

Magnussen has come to Albania under the pretext of studying the Albanian language. He has been member of the Marxist-Leninist Party of Denmark, its extreme wing.

Magnussen has been reactivated by Sigurimi again since 1993 and has been very active in every activity on Albania in Denmark in which he has attacked the democratic processes in Albania with an unprecedented aggressiveness.

Magnussen was in Albania in 1970, 1971, 1973, 1976, 1977 and on May 26 1996 "with the final hope to restore communism in Albania."

"He has carried out an intense activity serving Sigurimi also after Mangussen was suspected to be a worshipper of the three world theory. The reactivation of Magnussen is one of the typical cases of the reactivation of the old agents by the Albanian State Security, several of whose chiefs are now political refugees in the West," the paper reports.

According to the paper, during his stays in Albania in the morning he tried to learn Albanian, while in the afternoon he worked with State Security special staffs to work out the plan to destroy the NATO services in Copenhagen.

Mangussen has been active in tours of several Albanian left wing youths in Denmark, under the cover of tourist groups, and has organised them as ready structures to carry out propaganda and sensitize the international public on any occasion available.

He initiated the introduction in the OSCE remarks of such classical slanders such as: "a commission member was arrested because he asked a chair to be seated," and other slanders, the paper says.

"Despite respect for the OSCE, Albanians are right to be offended when a Western institution sends again as an observer a man who has during the years of dictatorship has observed them as a spy, a man who throughout his life has invested to keep the Enver Hoxha regime alive," the paper says further on.

Thursday's [13 June] ALBANIA said that Mangussen turns out to have been a close friend and collaborator of dictator Enver Hoxha.

In the meantime, in its Wednesday [12 June] issue, ALBANIA reported that nine of the OSCE observers for the May 26 elections in Albania were invited by the PS.

The PS has picked them up from an extremist Norwegian political left wing group, (Norwegian Youth Labour Party) that has nothing in common with the Norwegian Social Democrat Party on May 10, the group of Norwegian observers was attached to the Central Electoral Commission as observers invited by the Socialist Party, that its, after gaining this status 10 days later and precisely on May 20, the OSCE coordinator, Mark Power, appears before the Central Electoral Commission in Tirana and asks to attach as OSCE observers precisely nine observers from Norway invited from the Socialist Party.

Albania: Daily Claims PS Bulgarian Observer Sigurimi Agent

AU1506182696 Tirana ATA in English 1117 GMT 15 Jun 96

[FBIS Transcribed Text] Tirana, June 15 (ATA)—Bulgarian observer Ivan Konstandinov Ivanov summoned by the Socialist Party [PS] for the May 26 elections in Albania, has been a secret agent of the former State Sigurimi, writes ALBANIA paper Saturday [15 June], citing "reliable sources."

Ivanov has been agent of Albanian secret police since 1970. "His activity covered mainly Bulgaria, but Ivanov has also served as coordinator of the network of agents of Albanian secret police in the Eastern countries," writes ALBANIA.

Ivanov has legally visited Albania under the guise of a man charged with the assembly work of an agricultural factory in the Lushnje district, central Albania.

Ivanov has during the past 25 years prepared secret reports for Albanian secret police, says ALBANIA.

"A week prior to the 7th congress of the Party of Labour of Albania (today Socialist Party) in November 1976, Ivanov was urgently summoned in Tirana. The arrest several days before the congress was held in Tirana of three people who had finished higher studies in Bulgaria was a contribution of the present PS 'observer,'" writes the paper.

Public accusations have several times been made regarding reorganization of the defunct State Sigurimi in Albania.

During the recent days, ALBANIA has published articles and facsimiles proving that the lists of the OSCE [Organization for Security and Cooperation in Europe] observers for the May 26 parliamentary elections had names of observers who have been brought by the Socialist Party, and selected among European extreme left. Among them have also been agents of the defunct state Sigurimi, a notorious institution of the communist regime in Albania which has purchased, killed and persecuted innocent people during the dictatorship.

Albania: Press Alleges German Observer Spied for Hoxha

AU1806105096

[FBIS Report] In the wake of articles in the Albanian press casting doubt on the impartiality of OSCE election observers, Tirana ALBANIA in Albanian on 16 June carries on page three a 1,000-word article attributed to "ERA" entitled "The German Who Spied on Germans for Enver Hoxha."

The article begins: "Wolfgang Erich Stoppel, a German national born in Bremen and resident in Munich, is one of the most compromised characters whom the OSCE entrusted with the mission of observing the 26 May elections in Albania." After describing Stoppel's first visit to Albania in 1983, the article continues: "The German's activities in the service of the Albanian communists were somewhat different from those of the so-called Marxist terrorist groups that went in and out of Albania at that time. Whereas these Marxist friends undertook to trumpet worldwide the great successes of socialist Albania under the leadership of Enver Hoxha and to place bombs in the headquarters of international institutions (you can find evidence in the documentation of today's trials of communist criminals), Stoppel's activities were both more immoral and more ridiculous. He systematically spied for the Albanian secret service on a fair proportion of the Germans who visited Albania at that time, especially those who were members of the Albanian-German Friendship Association."

The article continues: "After the overthrow of communism in Albania, not only Stoppel but two other German representatives who observed the 26 May elections on behalf of the OSCE, reappeared in their old haunts.

"Stoppel, Magnussen, Sondergaard, Tieman, Finger, Engesland, Isaksen, and dozens of other observers, some of them recruited and incriminated by the Albanian secret service, were invited by the Socialist Party to observe the 26 May elections and amazingly, perhaps by the hand of a single person, were accredited as OSCE observers.

"This entire scandal has only one explanation. Wandering bands of Marxist terrorists that the East borrowed from the West to deceive itself have since the end of the cold war joined international institutions, especially those dealing with human rights, turning again to the East and to their old friends, but now in a new way.

"It is nevertheless the task of the OSCE to provide the necessary explanations of this scandal, which has now aroused interest not only among the Albanian public but abroad."

Albania: Central Electoral Commission Rejects OSCE Criticism

AU1706102096 Tirana RILINDJA DEMOKRATIKE in Albanian 15 Jun 96 p 1

[Article by Artur Kopani: "Against the Claims of the ODHIR Observers"]

[FBIS Translated Text] The Central Electoral Commission yesterday rejected as bombastic the conclusions and criticisms in the report of the ODHIR [abbreviation of OSCE election observers' team, expansion unknown], which claimed that the Albanian Electoral Law has been broken on a massive scale. The commission told journalists that it had found the conclusions drawn from the observation of only 7 percent of the polling stations to be baseless and not trustworthy. The group of lawyers in the commission cast doubt on the largest part of the report, which claimed that large-scale irregularities had been observed during the conduct of the elections. A press statement expressed the views of the majority of the members of the commission, stating that the Electoral Law as a whole had been rigorously enforced and that shortcomings in its observance had not led to serious damage to the voting procedure.

Deputy Justice Minister Vladimir Kristo spoke on behalf of the group of lawyers and gave legally reasoned replies to the charges of violations of 32 articles. The truth with which the commission countered the claims of the ODHIR leaves a bitter aftertaste when one sees the clearly negative angle the foreign observers gave to their comments on the 26 May and 2 June elections. These explanations also exposed the contradictions within the report, which, after making criticisms of the violations of deadlines in registering candidates, calls an irregularity the fact that the deadline for the acceptance of the proportional lists was observed. The lawyers on the commission observed that the foreign observers are not well acquainted with the constitutional laws and Albanian legislation in general, when they claim that the registration of the president on the Democratic Party's proportional list, the distribution of constituencies, the programming of the election campaign on television, and a number of other matters represented irregularities. The commission claimed that there was a marked lack of evidence that might prove alleged violations of the Electoral Law that fill the ODHIR report.

Meanwhile the Central Electoral Commission was sensitive to the lack of any assessment in the report of the opposition's abandonment of the electoral commissions shortly before the end of the elections, which, said the commission, could not fail to influence the credibility of the final results. The lawyer Arjan Madhi rejected the abuse coming from a KOHA JONE journalist, who had said that about 20,000 members of the opposition will go to prison for violating the Electoral Law. He and his colleagues on the commission underlined that other authorities deal with such matters, while they pointed out precisely how commission members had broken the Electoral Law by the deserting the polling stations. Kreshnik Spahiu, the commission's secretary, said that the decision on partial elections had been made after a review of the documentation from more than 60 constituencies requested by the president of the Republic and following the complaints by the political parties. Accepting most of the recommendations in the ODHIR report, the members of the commission who spoke to journalists said that they will issue a final report on the conduct of the elections and the enforcement of the Electoral Law together with the final communique of the election results. They said that they are also working on a full and detailed response to all the issues raised in the ODHIR report, about 30 percent of whose authors were observers of the Socialist Party, which is, together with two small parties, trying to spread word among the public that the final election results were rigged. The daily newspaper ALBANIA published evidence yesterday proving that one of the observers the ODHIR brought to Albania had been in the service of the State Security Service for almost 25 years. A considerable number of these observers had also been proved to belong to a Marxist-Leninist group in Norway.

Albania: PD Wins in All 17 Constituencies

AU1706130696 Tirana ATA in English 1101 GMT 17 Jun 96

[Report by Petraq Shuteriqi]

[FBIS Transcribed Text] Tirana, June 16 [date as received] (ATA)—On the basis of preliminary information that has reached the Central Electoral Commission [KQZ], the Democratic Party [PD] has won in all 17 constituencies which had a rerun of polling on June 16 after irregularities noted in the first round of elections on May 26.

In a news conference held in the Palace of Congresses in Tirana today, the Central Electoral Commission representatives said that the voter turnout in the 17 constituencies was about 68 per cent, with only 18 per cent of the voters of May 26 not taking part in the rerun of voting.

The highest voter turnout has been registered in Peqin, central Albania, southwest of Elbasan, 83 per cent; in Puke (northern Albania) 81 per cent; Lushnje (southwestern Albania) 78 per cent. The lowest participation in voting was registered in Sarande (southern Albania) with a 40 per cent voter turnout.

Polling attendance in other constituencies is as follows:

—In Constituency 89 in Berat—66 per cent;
—Constituency 90 in Kucove—65 per cent;
—Constituency 42 in Vore—71 per cent;
—Constituency 113 in Delvine—68 per cent;
—Constituencies 92 and 94 in Korce respectively 69 and 68 per cent;
—In Constituency 24 in Mat—70 per cent;
—Constituency 82 in Patos—64 per cent;
—Constituency 81 in Libofshe—63 per cent;
—Constituency 101 in Tepelene—58 per cent;
—Constituency 104 in Vlore—66 per cent;
—Constituencies 67 and 69 in Elbasan the voter turnout was 70 and 65 per cent respectively.

The chairman of the Central Electoral Commission, Edmir Kapidani, in reply to questions from reporters present in the news conference said that "with their massive participation in the polling, the Albanian voters manifested once more their high democratic culture, which is, at the same time, a challenge to all those political forces in and out of the country, which tried to throw mud at the May 26 elections."

Kapidani said that last Sunday's rerun of elections were monitored by foreign observers from international organizations too, OSCE [Organization for Security and Cooperation in Europe], and others. "We have requested to meet with ODIHR [Office of Democratic Institution for Human Rights] chairwoman after we noted that some of the observers this organization sent to Albania had previously been collaborators of the defunct Albanian State Sigurimi, as was proved by documents published in the Albania newspaper. We want to explain some of claims presented in the report of this office by some of foreign observers."

KQZ member Pellumb Cela rejected through concrete documents and facts the claims by various electoral subjects, mainly Socialist Party [PS] and its red front allies for alleged manipulation of May 26, 1996 elections. With regard to the first round of elections, "members of electoral commissions themselves, be they appointed by PS or other opposition parties, have declared verbally and without imposition that elections were free and fair, in conformity with the law and that they have not noted any irregularity. They also said they left the commissions upon order from the presidencies of their parties. The commission members are ready to admit these even through press and radiotelevision," said Cela.

Albania: Observers Say Vote Met 'International Standards'

AU1706142796 Tirana ATA in English 1151 GMT 17 Jun 96

[Report by F. Vladi]

[FBIS Transcribed Text] Tirana, June 17 (ATA)—June 16 elections in Albania were conducted according to international standards declared in a press conference two OSCE [Organization for Security and Cooperation in Europe] observers, members of Irish Parliament and one member of British Helsinki Committee.

Liam Lawor, member of Irish Parliament; Sean Doherty, MP and former minister of justice; and Daniel McAdams, member of British Helsinki Committee, started visiting the first polling station when they opened at 0700 am [0500 GMT]. They visited some 18 stations all day long and the Central Election Commission.

"We can say that Sunday's [16 June] elections were organised with competence according to the Election Law," the observers said in their press release adding that "in a final analysis Sunday's we can say elections were of an international standard."

Answering to questions of journalists regarding their observing status, Lawor said they were representatives of Irish Parliament and authorised by OSCE to observe elections in Albania. He said that his group had consulted, Friday [14 June], OSCE officials and came to observe elections in Albania as it was not able for them to come in May 26 elections. He added that during talks he had with Socialist Party [PS] sympathisers he had seen disappointment regarding the PS boycott of elections.

They said that the conclusions they achieved were the same with those of international observers from Italy, Austria, and France after discussions they had with them.

British Helsinki Committee member Daniel McAdams who had also observed May 26 elections in Albania said that the voting procedure had been regular.

Albania: Commission Confirms 'Dual Status' of Observers

AU1706161896 Tirana Radio Tirana Network in Albanian 1330 GMT 17 Jun 96

[Report by Robert Prifti]

[FBIS Translated Excerpt] The leaders of the Central Election Commission [KQZ] gave a news conference today. [passage omitted]

[Begin KQZ Chairman Kapidani recording] The information we have reveals that the voting rerun in 17 constituencies proceeded in accordance with the law. This is a great challenge for the Albanian people and for all the forces and individuals, at home and abroad, who tried and are still trying to throw mud at 26 May elections. [end recording]

At the conference, the KQZ officials answered to complaints made by several political subjects or foreign observers on the 26 May elections. They opposed part of the complaints, as they possess 308 statements by commission members confirming a good procedure of elections. One of the instances mentioned by them is the fact that 70 percent of the voting records in the Shkoder district were also signed by the Socialist Party [PS], the Social Democratic Party, and the Democratic Alliance, which pulled out of the elections before they were over.

They also confirmed before the reporters the data made known by the daily ALBANIA on the dubious participation of the OSCE [Organization for Security and Cooperation in Europe] observers in the 26 May elections. According to them, 10 foreign persons participating in the elections had a dual status both as invited by the PS and OSCE observers, while three other observers from this important international institution were agents of the former Communist state Sigurimi.

Albania: Observers See No Voter Intimidation in 16 Jun Rerun

AU1706170096 Tirana ATA in English 1556 GMT 17 Jun 96

[Report by Keida Kostreci]

[FBIS Transcribed Text] Tirana, June 17 (ATA)—Nineteen European observers who followed the rerun of parliamentary elections in 17 constituencies last Sunday confirmed they "have noted an absolute freedom during elections, regular voting procedures in all polling stations, peaceful and conscious attendance of the electorate, correct and accurate accomplishment of the task by electoral commissions and no voter intimidation, violence or imposition."

This was confirmed through a joint statement read Monday [17 June] in a news conference by international observers invited by different authorities and associations, and authorized by the Central Electoral Commission to observe the rerun of elections in which the Democratic Party won.

"No incidents occurred on the elections day, moreover there were no signs at all to prove the contrary," the statement signed by the observers says.

The signers of the statement include: Maurizio Venola, Nedin Vlora, Augusto Nidoli, Piero Pellicini, Paolo Senone, Sandro Delmastro, Delle Vedova, Franco Reale, Fernando Bolla, Peper Kapral, Wolfgang Grossruck, Liam Kowlor, Sean Doherty, Leszek Moczulski, Eligiusz Lasota, Yves Jego, Gerard Ecorcheville, Jerome Bleuchot, Alain Delcamp, Daniel Mac Adams, who represent various parties of Italy, France, Austria, Poland, and other parties.

"I might say that the elections have been increasingly qualitative and correct," Grossruck of the Austrian Political Party said during the news conference. Grosssruck has followed the three rounds of parliamentary elections in Albania.

Jego from the French Party for the Union of the Republic said that "the technical procedures as a whole show that Albania is now at the level of democratic maturity of the major western countries."

In the first round of the May 26 elections in Albania, the Democratic Party [PD] won 95 seats in the coming parliament, the opposition parties boycotted this round and did not take part experience. The observers said that "if the communists shout of democracy being violated, this does not mean that it is impaired."

Referring to a question by a reporter of the Voice of America regarding the withdrawal of the opposition which is now "a fait accompli," the observers said that this act has no juridical consequence.

Moczulski said that "in democracy people are free to chose whether to vote or not, just like the parties are free to chose whether to vote or boycott it."

In the first round of the poll, on May 26, 1996, the Democratic Party won 95 of 115 constituencies. In the meantime, the opposition parties boycotted the first round three hours before the polls closed and did not take part either in the second round on June 2 or in the run off elections on June 16, alleging the elections were rigged by the party in power, the PD.

Albania: Berisha, Observers Agree on Regular, Normal Voting

AU1706172196 Tirana TVSH Television Network in Albanian 1635 GMT 17 Jun 96

[FBIS Translated Text] President of the Republic Sali Berisha received an OSCE [Organization for Security and Cooperation in Europe] parliamentary delegation made up of two Irish deputies, Lawlor and Doherty, and confirmed to them his determination to respect the people's will to the end, which was freely expressed in the elections for the People's Assembly.

The OSCE Parliamentary Assembly observers informed President Berisha that, on the basis of their observations, the Albanian authorities had acted in a regular manner and elections were held normally.

Bulgaria: Balkan Ministers Expected To Meet 6-7 Jul

AU1706171896 Sofia Khorizont Radio Network in Bulgarian 1500 GMT 17 Jun 96

[FBIS Translated Text] At a regular news briefing at the Foreign Ministry today, Zakhari Rodopov, head of the Coordination and Analyses Department, supplied information on the meeting in Florence of the foreign ministers of the member countries of the council for implementing the Dayton agreement. Rodopov said that Bulgarian Foreign Minister Georgi Pirinski had a number of bilateral meetings there concerning the Bulgarian initiative on holding an all-Balkan summit in Sofia.

Foreign Ministry Spokesman Pantaley Karasimeonov mentioned 6 and 7 July as the most likely dates for the summit. Croatia and Slovenia have agreed to take part and will send their observers. All of the Balkan countries invited have confirmed their acceptance.

A Bulgarian delegation led by Prime Minister Zhan Videnov will leave for Florence on 22 June to take part in the work of the meeting of EU state and government leaders. The delegation will include Foreign Minister Georgi Pirinski.

Bulgaria: Further on Balkan Ministers' Sofia Meeting

AU1806091896 Sofia STANDART NEWS in Bulgarian 18 Jun 96 p 4

[Staff report: "Balkan Foreign Ministers Reached Agreement on Sofia Meeting"]

[FBIS Translated Text] The Foreign Affairs Ministry announced on 17 June that the meeting of Balkan foreign ministers will most likely take place 6-7 July.

Minister Pirinski, who spoke with his colleagues during the Florence meeting on the implementation of the Dayton agreements, said those dates proved to be most convenient for all participants. Even Slovenia, which until recently refused to participate because it does not consider itself a Balkan state, declared that it will send observers. Croatia will also be represented by observers only.

All preparations will begin anew since the meeting did not take place on the initially announced dates of 8-9 June. The government will send new letters and invitations to the countries involved. The Foreign Affairs Ministry said the dates cannot be fixed until all countries officially confirm their participation. According to Foreign Ministry Spokesman Panteley Karasimeonov, the dates will be fixed within several days.

Bulgaria: Interior Minister Named Military Industry Chief

AU1806084296 Sofia 24 CHASA in Bulgarian 18 Jun 96 p 1

[Staff report: "Interior Minister Becomes Military Industry Chief"]

[FBIS Translated Text] Interior Minister Nikolay Dobrev has been named chief of the Interdepartmental Council on the Military-Industrial Complex and Mobilization Readiness, the Council of Ministers announced on 17 June. Until now, the council was headed by Prime Minister Zhan Videnov. Recently Dobrev also began to supervise the power supply branch, despite the fact that this branch has had its own ministry since last week.

Bulgaria: Videnov Attacks Zhelev, Stoyanov at BSP Plenum

AU1706205096 Sofia TRUD in Bulgarian 17 Jun 96 p 10

["Significantly abbreviated" version of report by Zhan Videnov, prime minister and BSP chairman, at BSP plenum on 16 June: "Victory at Presidential Elections Becomes BSP Number-One Task"]

[FBIS Translated Text] In March, a joint meeting of the Bulgarian Socialist Party [BSP] and the Democratic Left's leading organs determined that winning the presidential elections is the main political task in 1996. There is no objective need to review this task and goal. The time after the joint meeting confirmed this. The claims that we must correct this task because of the results of the opposition presidential primaries, are insolvent. It must be remembered that in March we committed ourselves to replacing through elections a president who continues to strive for more power than he is entitled to on the basis of the Constitution, the people's vote, and the public support. He did not spare any effort to discredit the National Assembly and render the government helpless and the judiciary torn by intrigues. He behaves not as a politically responsible statesman but as the main opposition force in the country and became the symbol of the lack of a statesmanlike attitude. This is the kind of president Zhelyu Zhelev was, and if one could judge by his most recent statement—is. The Union of Democratic Forces [SDS] expects and requires Petur Stoyanov to be precisely such a president, especially after the fiasco with the no-confidence vote on Thursday [13 July], which rather limited the SDS possibilities for prompting early parliamentary elections without the active interference of the presidential institution. Naturally, the results of the opposition's presidential primaries are very educational, especially when viewed through the prism of the Thursday no-confidence vote results. They confirmed our longstanding conclusion that the incumbent president has exhausted his personal possibilities in the government, that he personifies to a large extent a past stage of our development, that he demonstrates an inability to change in accordance with the requirements of life, that he repeatedly and publicly proves his incompetence to govern, and that he has become the symbol of stagnation and frontation. His unexpected serious defeat in the presidential primaries is proof of all this. The manner in which he demanded a second chance is even more indicative: He actually proposed himself as the man who could complete the dirty, black, and destructive work against his country's government—if only he could be given another mandate.

The second important conclusion is that Petur Stoyanov, "the opposition's new face," actually conceals the same revenge policy of the SDS. In practice, the "new beginning" means a new wave of destabilization, confrontation, and destruction.

Obviously, the personal characteristics of the presidential campaign are important in many situations, and even decisive, but they must not deceive us by any means. Despite his obvious reluctance, Petur Stoyanov was forced to adopt the twisted interpretation that the vote for him actually was a vote against the government of the Democratic Left. Despite his categorical disagreement, he was forced to adopt a tactic of provoking early parliamentary elections even before the presidential elections. Despite the fact that he was absent from the country, risky actions were taken to put this tactic into effect. Obviously, "the candidate of the united opposition" is nothing more than a simple mechanism of promoting the SDS's narrow party policy....

We have been attributed with intentions of somehow preventing the direct election of the president and limiting his prerogatives. On the contrary, we support a president with a significant role. This will guarantee the public and political consolidation of the government, cooperation between various state institutions, and a public belief in the social orientation of the transition. This is the kind of president for whose election the BSP must struggle by all means.

What could we do to ensure our success?

—We must increase the efficiency of our government.

—We must conduct a differentiated, bold, and convincing election campaign, which must encompass the broadest strata, the intellectuals, and the authoritative people.

—We must have a strong, convincing, and really electable presidential candidate, whom we must elect today (editorial note: on 16 June).

The adoption of the special steps in the following directions will have a special importance:

1. The Democratic Left must strengthen, multiply, and seek the support of all significant political, public, and institutional factors.

2. The government must spread optimally throughout a period of time all the economically inevitable but painful measures, together with the accompanying social amortizating instruments. In the first place, there must be our commitment to the most helpless ones—the pensioners, disabled, and unemployed.

3. We must as soon as possible outline a clear prospect for the recovery of Bulgarian agriculture.

4. We must amend our work with the mass media. We must not forget the real roots of the current difficulties and prevent the implementation of a moral discrediting of certain party members. The responsibility of the entire leftist press is great. It is their moral and political duty to subjugate their basic activity in the coming months to winning the elections. The BSP needs an expansion of the circle of newspapers prepared to work for the national interests and cause, rather than for group interests.

5. We must intensify our activity among broad circles of the Bulgarian intelligentsia. Until now, our dialogue with them was awkward, often purely formal, and recently, purposefully brought to the verge of hysteria.

6. The leftist forces must issue clear signs of the fact that private business can rely on them. The decision of the Democratic Left parliamentary faction to begin a dialogue for the legislative support and strengthening of private business deserves our support.

7. Many things in the presidential campaign would depend on normalizing the international currency-financial relations, attracting foreign investments, and integrating ourselves in the most promising economic processes in the region, Europe, and the world.

Bulgaria: Videnov Praises Pirinski as Presidential Candidate

AU1706173096 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 17 Jun 96

[FBIS Translated Text] In a statement for Bulgarian National Radio and National Television, Zhan Videnov, chairman of the Supreme Council of the Bulgarian Socialist Party [BSP], described the decision to select

Georgi Pirinski as the BSP presidential candidate as the natural culmination of a lengthy and in-depth discussion, held with the participation of thousands of Socialists and numerous sympathizers of the parties of the Democratic Left.

Our candidate is a well-known figure, the leader of the Socialists said. He is a representative of our desire for national understanding and consensus, an active participant in all stages of the changes in Bulgarian society during recent years, and enjoys high authority both within the country and among our foreign partners. He is distinguished by his moderation, tolerance, and respect for others' views. Zhan Videnov also declared: We are sure that the success of Georgi Pirinski will be a guarantee for the stabilization of Bulgarian statehood.

Bulgaria: Premyanov Comments on Changes in BSP Bureau

AU1706173196 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 17 Jun 96

[FBIS Translated Text] The previous members of the Executive Bureau of the BSP [Bulgarian Socialist Party] Supreme Council should be given a good report for their work, Krasimir Premyanov, leader of the Democratic Left Parliamentary Group, believes. In answer to a question from a Bulgarian National Radio reporter, he said that he does not expect the changes in the Executive Bureau to violate the principle of continuity.

The leader of the Democratic Left Parliamentary Group considers that any possible ruling by the Constitutional Court that would prevent Georgi Pirinski from taking part in the presidential election contest would be a political, not a judicial act. Krasimir Premyanov expressed the hope that their sense of responsibility and unprejudiced attitude to the Constitution would dissuade the judges of the Constitutional Court from reaching such a decision.

Premyanov also said that Georgi Pirinski will name the person he wants for his vice president after he has consulted the BSP Supreme Council and the BSP's coalition partners.

Bulgaria: Commentary Forecasts Inevitable BSP Split

AU1406131196 Sofia DEMOKRATSIYA in Bulgarian 14 Jun 96 p 3

[Commentary by Reni Neshkova: "Now Nation Will Have To Digest Guilt Without Any Digestive"]

[FBIS Translated Text] Yesterday, during the no-confidence vote at the National Assembly, it became clear that the Bulgarian Socialist Party [BSP] was again lining its stomach with enough digestive prior to admitting some responsibility for the situation. However, our nation will have to swallow the guilt regarding the national catastrophe and the incredibly increased need of money on the part of the state without any appetizers or digestive. Videnov, Premyanov [chairman of Democratic Left parliamentary faction], Gechev [deputy prime minister], Koralski [minister of labor and social affairs], etc., will sleep peacefully. The nation will pay for everything. Taxes will be increased, along with the price of electricity, heating, transportation, bread, and everything else. The sanitary services will again have to go on leave without pay, because the garbage cans will be cleaned spotless by needy people. No unusual or extraordinary thing happened yesterday at the National Assembly. The BSP and the Bulgarian Business Bloc [BBB] voted in their customary everyday manner—together.

However, there were three additional votes outside the two friendly parliamentary factions of the BBB and the BSP. They were cast by deputies who otherwise ostensibly supported the actions of the opposition. Those votes were cast for different motives. For example, the fear that if the cabinet falls, the BSP will try to imitate the government of "broad national consensus for saving the state" according to the well-known script. On the other hand, perhaps the motives of the three were much more personal and prosaic. Finally, perhaps someone does not like the opposition as a united force, regardless of how fragile this unity is.

Whatever the motive behind the three votes is, the BSP will not miss the opportunity to point them out constantly, because at present it has a deep need to sow disunity among the opposition, as it did in the previous National Assemblies. In addition, the BSP did not miss the opportunity to describe the actions of the deputies against the illegal rally in front of the National Assembly as "hooliganism."

The unity of action on the part of the opposition during those difficult days for the BSP, is a very unpleasant fact for the party of the appetizers and digestive. The secret commotion within the BSP will soon develop into a specific division of the pie. The big interests of the big money and the big crimes of some members of the Democratic Left parliamentary faction will most naturally burst the BSP's illusion that it is possible to keep the millionaire and the red fanatic in the same framework. We accept the fact that there were three unidentified votes in support of the cabinet. On the other hand, the opposition could have no other interest except leading the country out of the crisis through methods used throughout the world—market economy, private property, and protection of personal freedoms. In this sense, there could be no second political center with different goals and methods of implementing them.

Bulgaria: Weekly Analyzes Power Struggle in BSP

AU1706131896 Sofia 168 CHASA in Bulgarian 17-23 Jun 96 pp 8, 10

[Article by Karmelita Deneva: "Hatchets Have Not Been Buried"]

[FBIS Translated Text] Videnov decided to hold another Bulgarian Socialist Party [BSP] plenum on 16 June. This will be another in the long line of infarcted plenums. Krasimir Premyanov, who looks rather worn out recently, warned that those who think that it would be a "peaceful gathering" are wrong.

The BSP celebrated after Videnov received the parliament's vote of confidence. However, it is clear to all that the three clans have not buried their hatchets.

"The strategists" [Lilov's people] want to remove Videnov three to four weeks before the presidential elections. Lilov is so disappointed in his former disciple that he insists on holding an extraordinary congress to determine the new political framework of the BSP. Even Velko Vulkanov and Dobrin Spasov have joined the camp of those who demand that the two posts be separated—BSP leader and prime minister.

"The Liberals" in the BSP admitted that they will work in the summer for effecting a split in the BSP, so that the Alliance for Social Democracy [OSD] and the Socialists who think like them, could unite with the Civic Alliance for the Republic [GOR] and mark the beginning of a new moderate leftist party in Bulgaria. Aleksandur Tomov [GOR leader] admitted: "For us there is no united left. Videnov is guilty. It is possible to talk to any other member of the leadership but him."

For their part, Zhan's people want to expel the deputies who are discontented with the leader. The boldest among them do not exclude the possibility of Videnov expelling Lilov, Lukanov, Marinov, Kamov, and Prodev from the BSP. People close to Videnov are saying that he intends to convene an extraordinary congress in the fall for this purpose.

Actually, what are the chances of the different clans?

Lilov continues to enjoy his party's confidence despite the fact that his statement at the party's last plenum was greeted with silence by the participants. He could not hide his tiredness and desperation even from the journalists. Kamov, Borisov, and other rebels are standing close to him. However, the Strategist [Lilov] is still unable to expand his circle. The people are expressing their sympathy for him because they think that he has no personal ambitions and interests, and is moved by his concern for the country. Only Yanaki Stoilov casts a shadow over this image. Zhan's deputy does not hide his personal ambitions.

Apparently, Andrey Lukanov is playing alone in the clashes with the government and the prime minister. Indeed, the battle already exceeds the framework of the OSD quarrels. The mean scandal between Lukanov and Videnov, which took place at the last plenum, will apparently not be published. "An analysis of the scandal shows that the decisive round between Videnov and Lukanov is yet to come," deputies claim. "The winner will lead the BSP and the government for a long period of time."

The OSD behavior becomes ever more puzzling against this background. They suddenly supported Lilov's idea to hold an extraordinary congress, although citing different arguments. According to Andrey Bundzhulov, the reform in the BSP stopped and therefore the BSP cannot reform our society. The party needs a new program.

Within the last few days, Videnov sealed his position in an armored coat. At the last plenum, he was dead tired and made a mistake in every sentence he said. However, the longer the plenum went on and the greater his support became, his tiredness disappeared, participants in the plenum say. At midnight, he admitted that he plans a much more extensive reshuffle of the cabinet and a new economic policy in the fall. He was able to effect the changes in the cabinet (without removing Rumen Gechev), and received a vote of confidence. Now he will form an Executive Bureau to his liking. At present, this is the balance of powers in "Positano" [BSP headquarters].

Who will ally with whom against him? Videnov obviously will not forgive Lukanov, Marinov, Kamov, and the others for their attacks against him at a difficult moment. However, if he wants to win the entire party to his side he must make a compromise with the Strategist, people at "Positano" think. Zhan himself seems to think that the many fronts on which he had to fight in the last year, brought him to a stressful situation. His advisers keep asking who gave Videnov advice and created a quarrel between Videnov and almost everyone else. Does Videnov have a secret adviser? Almost all point out the same name, but to be able to quote it, it must be checked, people at the BSP headquarters advise.

Prodev claims that Lilov could alone topple Videnov and even become again BSP leader. He says that "now that the people are desperate, it is very easy to manipulate them." Analysts are saying that Lukanov has the smallest chance to conquer the BSP, despite the fact that they all are expecting a bloody Zhan-Lukanov battle. The former prime minister has no support in the BSP Supreme Council, while in the Democratic Left parliamentary faction he can rely on the support of only 10 members.

Bulgaria: Gechev Explains Background to Confidence Vote

AU1706182296 Sofia 168 CHASA in Bulgarian 17-23 Jun 96 p 7

[Interview with Rumen Gechev, Bulgarian deputy prime minister, by Milena Dimitrova; place and date not given: "No One Can Utter a Word Against Me"]

[FBIS Translated Excerpt] [Dimitrova] How do you regard the cabinet changes?

[Gechev] It was simply a vote of confidence that was asked for. It is absolutely untrue that Zhan Videnov asked for my resignation. It this had been true, I would have given it myself. You realize that it would not be ethical for a deputy prime minister not to hand in his resignation if his prime minister demanded it. I believe that it is clear to every Bulgarian that the step that the prime minister took was taken under pressure from certain people in the Executive Bureau and two or three individuals, who nevertheless failed to say why they wanted this resignation. Of course, I know the reasons. They are purely political and within the party and boil down to the fact that these people, who are against the prime minister and have connections with the banking system, do not want our policy to be implemented. I mean the policy that we are following. Unfortunately, such people exist within the Bulgarian Socialist Party [BSP]. That is obvious.

[Dimitrova] When did you realize that the changes could not be put off?

[Gechev] I talked to Zhan on many occasions during the preceding days. I am nevertheless his deputy; we commented on state and party matters and thus decided to undertake this singular vote of confidence. We decided then and thus caught by surprise those who were tacitly seeking his resignation in the Executive Bureau, because they were afraid to come out into the open and demand it.

[Dimitrova] Are you referring to the people from Andrey Lukanov's circle?

[Gechev] I will not state any names, I prefer not to. Now, what have these people obtained? A sharp smack in the face. Accordingly, in the final analysis I am glad that I received this peculiar vote of confidence, but in fact it is an even heavier obligation.

[Dimitrova] Who is pulling the strings in the government, given that Videnov was obliged to make this move with the vote of confidence demanded by his own party members?

[Gechev] There is no string-pulling, it is simply that the prime minister acted correctly in putting the vote of confidence. In the final event, he wanted to find out what view is held by the parliamentary group and the BSP Supreme Council, what their assessment of the economic situation is, and what imposes the changes that the opposition demands. Nevertheless, very important changes are being made in two of the main economic ministries, the Ministries of Industry and Agriculture.

[Dimitrova] Did you hear any criticisms relating to the area for which you are responsible, namely economic policy?

[Gechev] Here it is not a question of a change of policy. It is clearly a question of continuity in the cabinet, which is composed of people who agree with this policy. Now that everyone accepts that the structural reform is correct, no one can utter a word against me, and that includes the opposition. [passage omitted]

Bulgaria: Ukrainian Envoy Views Nuclear Fuel, Coal Deliveries

AU1706142096 Sofia DUMA in Bulgarian 17 Jun 96 p 3

[Interview with Oleksander Vorobyov, Ukrainian ambassador to Bulgaria, by Vladislav Vorobyov; place and date not given: "Ukraine Will Not Hinder the Shipment of Fuel for the Kozloduy Nuclear Power Plant"]

[FBIS Translated Excerpt] [Passage omitted] [V. Vorobyov] How are Bulgarian-Ukrainian relations developing?

[Ambassador Vorobyov] Since the left-wing government assumed power in Bulgaria, a major breakthrough has been made in our relations. In November of last year, the Ukrainian foreign minister signed six new agreements. An agreement on the mass media has also been signed, and a draft agreement is being prepared between BTA and Ukraininform. In all, about 30 treaties, agreements, and protocols have been signed. Before the visit by the Ukrainian prime minister to Bulgaria, we will try to prepare a program for cooperation in the energy industry field. During his visit, a consular convention will also be signed, as well as protocols for cooperation between the Ministries of Health, Science, and Culture.

[V. Vorobyov] May we hope there will be no more problems with the coal deliveries from Ukraine during the winter months, within the framework of the signed agreement?

[Ambassador Vorobyov] I cannot accept the claim that only Ukraine is responsible for this. In the summer of last year, I warned the people in Sofia that, when we have coal available at the ports at prices below world levels, you should buy it and not wait until the fall. What I foresaw indeed took place. The prices rose higher than world levels, and the contracts were not signed. The situation may repeat itself this year.

There is another reason for the holdup in the coal deliveries. Bulgaria owes large amounts to our miners, dating back to 1994. Of course, there are also some Ukrainian companies that do not abide by signed contracts.

[V. Vorobyov] What is Ukraine's attitude toward the transportation of nuclear fuel across its territories to Bulgaria?

[Ambassador Vorobyov] Ukraine consents to Russian nuclear fuel being shipped through its territories to the Bulgarian nuclear power plant. What is more, we initiated the negotiations on the agreement. The agreement between Bulgaria, Russia, and Ukraine was signed a few weeks ago and provides for the shipment of the dangerous goods by rail. A ferry alternative is also under consideration because rail shipment is impracticable at the moment because of the lack of an agreement between Moldova and Romania. However, Ukraine has some doubts about the shipment of waste nuclear fuel by sea, which is not absolutely safe. [passage omitted]

Bulgaria: Lukanov Explains Terms for Russian Gas Supplies

AU1706181296 Sofia STANDART NEWS in Bulgarian 15 Jun 96 p 4

[Interview with Andrey Lukanov, National Assembly deputy of the Bulgarian Socialist Party, by Mariya Andonova and Bistra Varneva; place and date not given: "Russian Gas Will Cost Bulgaria $500 Million Next Year"]

[FBIS Translated Excerpt] [Passage omitted] [STANDART NEWS] Will Topenergy take over all gas deliveries next year?

[Lukanov] This year Topenergy is the main supplier of commercial quantities of gas over and above the amounts that Gazprom is contracted to supply under the Yamburg agreement. We are delivering more than two-thirds of the commercial quantities. The agreement will expire in the spring, and from then on Gazprom will be paid for all amounts supplied. The Bulgarian prime minister, Russian prime minister, and the president of Gazprom have an agreement in principle to sign a long-term contract. This will guarantee regular deliveries and the preliminary amounts of gas on which we can rely. Ways will be sought to enable Russia to use some of the money that Bulgaria will pay to purchase Bulgarian goods and services.

At the rate of Bulgaria's present consumption of gas, the total cost will come to about $500 million. Some of this amount will be covered by transit fees, and for this reason we are interested in the maximum possible amount of gas being transshipped through our territory. We hope to cover another part of the amount on the basis of a modern commercial agreement. Goodwill exists on the Russian side, and now everything depends on the level of activity of the Bulgarian ministries and the business operators connected with this project. In this case, we are talking about an annual turnover of $1 billion.

[STANDART NEWS] What will be the prices of the natural gas under this project?

[Lukanov] The present price is about $88, and over five billion is supplied, [units of measurement not stated] so you can work it out yourself. The prices will probably rise, but I hope not very quickly. If there is a sharp increase in the prices of liquid fuels, this will quickly affect the gas price, but for the time being there are no signs of such a rise.

A more serious problem for us is that the Yamburg agreement spoiled us to a certain extent. We received gas that some people say was free, which it is not. Bulgaria invested over $1 billion in the form of a credit granted to the Russian side, and received gas as a form of repayment. The prices are lower than market prices, and this was stipulated in the agreement. Now we have to change over to deliveries of over three billion cubic meters of gas, and this is the difference in the prices to which we will have to adapt, because we have no reason to expect the supplier to subsidize us. [passage omitted]

[STANDART NEWS] If, despite everything, the terms turn out to be unacceptable, who will build the gas pipeline?

[Lukanov] The present owner Bulgargaz will have to build it. There will be no grounds for asking Topenergy, Gazprom, or any other company to finance its construction. The only solution then will be to seek foreign loans, which will not be easy in Bulgaria's present financial situation.

[STANDART NEWS] Will not such a decision make Topenergy's existence pointless?

[Lukanov] Topenergy also has other functions, but investment is one of its main activities. Personally, I am convinced that we need to cooperate with Gazprom to implement this large-scale and difficult project. At present the Bulgarian budget is not in a position to offer funds, nor is Bulgargaz able to mobilize such huge investments.

Bulgaria: Gloomy Future for Defense Industry Predicted

AU1706135296 Sofia 168 CHASA in Bulgarian 17-23 Jun 96 p 2

[Article by Zoya Dimitrova: "BSP—Military Industry's Gravedigger?"]

[FBIS Translated Text] The moratorium on privatization of enterprises in the military industry, adopted by the 36th National Assembly at the proposal of the "Pushkarov" commission, expires on 23 July. The current National Assembly will very likely extend the moratorium by three or five years. Apparently the incumbent cabinet views the moratorium as a way of keeping as much distance as possible between itself and the problems of the military-industrial complex. That is how the previous cabinets understood the moratorium of the last three years.

It is a paradox that under the Union of Democratic Forces [SDS] government, the enterprises were still producing. Today, under the Bulgarian Socialist Party [BSP] government, many of them will be buried.

Deputies believe that not a single proposal of the 36th National Assembly Commission on National Security has been implemented by the executive power.

It appears that the most difficult thing in Bulgaria is to have a cabinet with a clear strategy for anything. The easiest thing in this case was to postpone the problem.

The problem is that the military-industrial complex is gradually marching toward oblivion. There is not a fundamental state policy program for the future of the defense industry. There is no governmental program to save defense industry enterprises or the military-industrial complex as a whole. There is no clarity as to whether there will be privatization in this field and, if not, what articles will be produced, in what quantities, and for what buyers?

In its economic program, the BSP declared the military industry a priority. Today, however, this is not a program of the BSP government.

Export of Weapons Is Catastrophically Decreasing

In 1992, an exceptionally bad year for the military-industrial complex, we exported weapons worth $250 million. By the end of May 1996, we exported weapons for less than $30 million.

Some 28 military enterprises are virtually bankrupt. Approximately 10 are profitable. Generally, there are a bit more than 90 enterprises, but even the Commission on National Security does not know the exact number.

Practically every state official of a foreign country could dictate to us with whom and in what to trade. They could use their influence to stop even legally licensed deals if they thought that the country receiving our arms is "dangerous."

Since the moratorium is about to expire, the deputies of the Commission on National Security prepared a new position to submit to the cabinet.

However, their report basically contains the same proposals made three years ago: urgently settling the problem of turning the unpaid credits of the defense industry into a state debt, government adoption of a national security concept, and working out a package of measures on the financial recovery of the defense companies by the National Bank.

Even if some of the 30 measures proposed by the commission are implemented, something could change.

If the next few years are also wasted, by the beginning of the 21st century, one will hardly even talk about the military-industrial complex, says Miroslav Durmov, an expert of the commission and a former National Assembly member.

Czech Republic: $6.5 Million Pledged for Bosnia Reconstruction

AU1706155596 Prague MLADA FRONTA DNES in Czech 15 Jun 96 p 3

[Report by "(nak)" and CTI: "The Republic Is To Provide $6.5 Million for the Reconstruction of Post-War Bosnia"]

[FBIS Translated Text] Prague/Florence—The Republic is to provide a total of $6.5 million for the reconstruction of postwar Bosnia. Deputy Foreign Minister Alexandr Vondra said in Florence yesterday at the conference on the fulfillment of the Dayton peace accords that most of the money will be used, for example, to supply streetcars and buses and to renew the social and health-care networks.

According to Vondra, some of the money will also be given to the Bosnian refugees who fled to our country from the war and now want to return home.

First Deputy Interior Minister Jaroslav Kopriva said on Wednesday [12 June] that each adult will be given 500 German marks; children are entitled to half this amount. "So far, 400 people want to go back to Bosnia," he said.

Czech Republic: Daily on International Discussions of Bosnia

AU1706170896 Prague HOSPODARSKE NOVINY in Czech 17 Jun 96 p 15

[Commentary by Kveta Buschova: "Apropos Bosnia Not Only in Florence"]

[FBIS Translated Text] Apart from the inevitable attention being paid to the presidential elections in Russia, Bosnia has been the most frequent and most consistent topic of foreign news reports in recent days. Logically. The conflict in the Balkans was and is the greatest threat to Europe. Furthermore, because of its nature, the international solution to it is now having a profound influence on developments on the global scene. So, it came as no surprise that, at the end of last week, all and sundry were discussing the present and future of Bosnia-Herzegovina. First and foremost, this was at a two-day ministerial conference held in Florence in connection with the six-month anniversary of the signing of the Dayton peace agreement on Bosnia and attended by representatives from 45 countries. Its participants agreed that the first postwar elections in Bosnia-Herzegovina will be held on a fixed date (before 14 September), while the exact date will be determined by the Organization for Security and Cooperation in Europe before the end of June. The conference again reminded the sides in the conflict of their Dayton commitments, especially the need for the gradual return of 2.4 million refugees, the observation of human rights, and the resignation of people accused by the international tribunal in The Hague (this mainly involves the Bosnian-Serb leaders R. Karadzic and R. Mladic) from their posts. The idea put forward by certain circles to renew the sanctions against the Bosnian Serbs and Belgrade because of Karadzic did not "get through" in Florence. Nevertheless, it is apparent from the concluding document that, if the Dayton commitments are not met, the UN Security Council can renew these sanctions at any time against any of the sides. The fact that Belgrade, Zagreb, Sarajevo, and the representatives of the two Bosnian ethnic groups signed an agreement in Florence on limiting armament is associated with this.

NATO defense ministers also discussed Bosnia in Brussels on the same days. They also gave priority to the preparations for the Bosnian elections, while deciding to strengthen the role of the international IFOR [Implementation Force] contingent during their preparation and course. During the period that will be a key one for future Bosnian development, IFOR is, first and foremost, to orient itself more toward guaranteeing security and the freedom of movement of individuals; increasing the patrols should improve the chances of detaining Karadzic and Mladic.

Moreover, NATO Secretary General J. Solana, NATO Supreme Commander in Europe General G. Joulwan, and NATO Commander in Bosnia L. Smith held talks on the weekend in Zagreb and Sarajevo on the Bosnian elections and everything associated with them. The U.S. coordinator for Bosnia, J. Kornblum, yesterday then prevailed upon Belgrade the necessity of "removing" R. Karadzic. So, it has become apparent that, following the successful realization of the military aspects of the Dayton peace agreement, the international community now also intends to promote equally forcefully its very complicated and demanding civilian aspects.

Slovakia: Daily on Encouraging Outcome of Russian Vote

AU1806122196 Bratislava PRAVDA in Slovak 18 Jun 96 p 12

[Commentary by Ivan Drabek: "The Third Force Will Not Be Absent From the Runoff"]

[FBIS Translated Text] The fact that neither of the two favorites managed to win in the first round of the presidential elections may strike some as the unnecessary postponement of an unavoidable difficult choice. For Russia, however, this appears to be a fortunate solution. Triumphant parties were never distinguished by magnanimity in Russian history, and defeated parties usually did not become reconciled to humiliating defeats.

It is important that at least two of the candidates who tried to offer an alternative (although in different ways) to Yeltsin and Zyuganov did not merely play the role of extras. Even if Lebed and Yavlinskiy did not advance to the second round, their relatively big gains, the distribution of which will determine the ultimate winner, could positively influence the course of the further contest.

It is encouraging for the future of democracy in Russia that millions of voters did not let themselves be maneuvered into the trap of a black-or-white choice. The difference between Yeltsin and Zyuganov is not as much of an abyss as the two, for selfish reasons, were trying to make the voters believe. Of course, both are the symbols of a certain direction of the development (or return) of society, which is polarized, for objective reasons, by the frequently contradictory interests of social classes, the city and the countryside, the young and old generations. On the other hand, in the election campaign, Yeltsin himself was fulfilling the social program of the Communists, and Zyuganov kept assuring investors that they need not fear any revolution on his part.

Neither Yeltsin's propaganda machinery, which took possession of the state airwaves, nor the persistent indoctrination by the dense network of communist activists managed to eliminate the third force with their slogan "If you will not vote for us, you will vote for our principal enemy." Thanks to this, neither finalist has the victory in his pocket without the support of Lebed's and Yavlinskiy's voters. No matter how their votes will be distributed in the runoff, the very struggle for them logically presupposes the endeavor of the two main camps to expand their base. Victory will belong to the one who will establish a broader coalition and will manage to share power more magnanimously.

Slovakia: Kovac Views Talks With Voigt on NATO Membership

LD1706140396 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1000 GMT 17 Jun 96

[FBIS Translated Text] North Atlantic Assembly [NAA] Chairman Karsten Voigt is continuing his visit to Slovakia. This morning he was received by Slovak President Michal Kovac and afterwards he met with Slovak Defense Minister Jan Sitek. The Slovak president was interviewed about his talks with Karsten Voigt by our colleague Jan Baranek.

[Begin recording] [Baranek] Mr. President, could you briefly comment on your talks with Karsten Voigt?

[Kovac] The talks were very open and sincere. Their purpose was to brief us about possible problems and obstacles we might encounter striving to join NATO. Mr. Karsten Voigt expects that at the beginning of next year some countries will be invited to engage in a dialogue about NATO membership. The fact that a proposal tabled by Senator [as heard] Gingrich at the U.S. Congress does not include the Slovak Republic among the countries to be considered is seen by Voigt as a very unfavorable signal for Slovakia. Our public is probably well aware of this. However, what I failed to realize before was that NAA Chairman Karsten Voigt sees this signal as very important.

I wanted to know whether our image is so negative that we have already lost any chance of doing something in the time remaining to improve our image. He assured me that if that were the case he would not have been visiting us. He is visiting our country because he thinks we have a chance; however, we need to send out positive signals. We need to convince the parliaments of the 15 states which will make the final decision as to which countries will or will not be accepted as a NATO member.

This is why I think we should use this (?occasion) as an opportunity to send out the first positive signals to make a positive impression during July and August on the people in charge, I mean the people in charge in the West, in the United States, Canada, and in the West European NATO members. We should naturally go on sending out positive signals. This is the basic precondition for leveling up our chances, improving them, and preparing the ground for getting an invitation at the beginning of next year to take part in the talks and consultations about NATO membership. [end recording]

Slovakia: HZDS Paper Criticizes Kovac's Foreign Initiative

AU1806090496 Bratislava SLOVENSKA REPUBLIKA in Slovak 15 Jun 96 p 1

[Commentary by Monika Volekova in the "Public Matter" editorial column]

[FBIS Translated Text] Slovak President Michal Kovac has offered to Hungarian President Arpad Goncz the adoption of a declaration by the two countries' presidents, governments, and parliaments within two years, in which Slovaks and Hungarians would come to terms with the past. The treaty [recently ratified between the two countries] does not provide for such a document and, as the public has learned from Slovak Foreign Ministry Spokesman Juraj Matejovsky, the ministry is not working on such a declaration. The issue is thus President Michal Kovac's personal initiative and he should try to gain support for it in the present government coalition.

It will be very interesting to follow whether the Slovak Ministry of Foreign Affairs will assimilate this idea and how the idea will be implemented. The fact is that a number of important events will take place in 1998. Parliamentary elections will be held in Hungary, as well as in our country, after four years. As the declaration is extremely important, it could become the subject of the election campaign. Likewise, it is not certain whether it would be adopted before or after the elections and whether the election winners would come to an agreement on it (holding pragmatic discussions with the previous Hungarian Government was very difficult). And, last but not least, 1998 is the year when President Michal Kovac's terms of office comes to an end (unlike Arpad Goncz's presidency), so he will try to bring the declaration to completion as soon as possible. The Constitution of the Slovak Republic makes it possible to elect the president for up to two consecutive terms. The declaration's success could produce pressure from abroad in favor of Michal Kovac's candidacy in the next presidential elections as the architect of historic success in the strategically important Slovak-Hungarian relations.

Every coin has two sides and every international document its price. We have already made one compromise, are we going to make also a second one regarding the evaluation of history? That would be too much.

[President Kovac's visit to Hungary is also subject of a 500-word commentary by Monika Volekova, entitled "Seven Keys Toward Slovak-Hungarian Settlement," in the same issue of Bratislava SLOVENSKA REPUBLIKA in Slovak, on page 7. The commentator says: "The keys toward Slovak-Hungarian settlement are objective evaluation of history, functional rights of the Slovak and Hungarian minorities based on European standards and the minorities' loyalty, Hungary's becoming reconciled to the Trianon Treaty, correct economic and political cooperation, frequent personal contacts among citizens, and, above all, time. A declaration that will draw a line under the complex common past before these keys are 'manufactured' and 'used' is premature."]

Slovakia: Press on HZDS Stake in Thriving Privatized Firm

AU1706181796

[FBIS Report] Slovak newspapers on 14 June continue to report on the suspected role of high-ranking Movement for a Democratic Slovakia [HZDS] officials in the privatization of the Slovensky Hodvab [Slovak Silk] company, a "prosperous" manufacturer of chemical fibers based at Senica, western Slovakia.

Bratislava NARODNA OBRODA in Slovak on 14 June on page 2 carries the following report by Robert Zitnansky, entitled "HZDS Functionaries Do Not Feature in Privatization of Slovensky Hodvab": "The Former Slovensky Hodvab [Slovak Silk] Senica State Enterprise Was Privatized in September 1995 by the Slovensky Hodvab—Ress a.s. [shareholding company] Senica, Based on a Decision of the National Property Fund [FNM] Presidium."

"According to Radio TWIST, the controlling stake in the former state enterprise is supposed to have been purchased by T.S.T. a.s. Trnava. According to an extract from the Company Register, the statutory bodies of the T.S.T. a.s. include, for example, Vladimir Poor, member of the Movement for a Democratic Slovakia [HZDS] Political Board and chairman of the West Slovak HZDS Regional Organization; Milan Sedlacek, head of the HZDS Office; Milan Rehak, vice president of the National Property Fund [FNM] Presidium, chairman of the FNM Executive Committee, and chairman of the HZDS District Presidium in Trencin; and Jan Gabriel, president of Vseobecna Uverova Banka [General Credit Bank, VUB] a.s.

"Should the privatization be proven, FNM Vice President and Chairman of the FNM Executive Committee Milan Rehak would be guilty of violating the law on conflict of interests. 'It is a primitive lie. The extract from the Company Register is old and no longer valid. Milan Rehak has dissociated himself from the misuse of his name in this affair,' FNM Spokesman Otto Balogh told NARODNA OBRODA.

"Thirty-four percent of shares in the Slovensky Hodvab—Ress a.s. are owned by the Slovensky

Hodvab—Zamestnanci [Employees] a.s., the remaining 66 percent are divided among three trading companies.

"'The Radio TWIST report is not based on truth. The T.S.T. company never held a controlling stake in Slovensky Hodvab. It is true, however, that an association of two trading companies—T.S.T. and Ress—held a 33-percent stake in the company in the past. This association has been disbanded. None of the aforementioned members of T.S.T. statutory bodies is represented in the statutory bodies of the Slovensky Hodvab a.s.,' Jozef Futrikovic, director of the Slovensky Hodvab a.s., told NARODNA OBRODA."

Bratislava PRAVDA in Slovak on 14 June on pages 1 and 3 carries a 600-word report by Vladimir Jancura entitled "Famous Names Among Privatizers." Jancura notes that the PRAVDA editorial office has obtained from an "unnamed source" the copy of an extract from the Company Register of the Bratislava-Environs District Court. This extract, dated 28 September 1995, reportedly confirms Radio TWIST's information about Vladimir Poor, Milan Sedlacek, Jan Gabriel, and Milan Rehak featuring on the T.S.T. Board of Directors or Supervisory Board. Jancura continues: "Yesterday we verified this information with Jozef Futrikanic [name as published], director general of Slovensky Hodvab—Ress Senica a.s. First he denied reports about the T.S.T. company owning the controlling package of Slovensky Hodvab shares. 'The truth is,' he told us, 'that 34 percent of shares are owned by the employees and management, 33 percent are held by the Vigro Ltd., and the firms Ress and T.S.T. own 16.5 percent each.' The director general takes no interest in the composition of the statutory bodies of the firm T.S.T. a.s. but at the same time he resolutely denied that Mr. Sedlacek, for example, is a member of either the Board of Directors or the Supervisory Board of the Slovensky Hodvab—Ress Senica company."

Jancura observes that Slovensky Hodvab is a "prosperous firm" with 2,100 employees and a sales volume of over 2 billion korunas [SK] in 1995, 80 percent of which had been exported. It was reportedly sold to the Slovensky Hodvab—Ress Senica a.s. for Sk1.3 billion in September 1995, with a first installment of Sk200 million.

Slovakia: Article Reveals New Information on SIS

AU1706172796 Bratislava SME in Slovak 17 Jun 96 p 4

[Article by Milan Knazko, Slovak Democratic Union deputy chairman: "What the Slovak Information Service Is Doing"]

[FBIS Translated Text] We listened to the report on the activities of the Slovak Information Service [SIS] in parliament a few days ago. In it, SIS Director I. Lexa described what this organization has been doing under his leadership. The report contained things that the SIS should not have done and in fact provided evidence of illegal activity by I.L.

I will cite several particulars from the SIS's activities that testify to the fact that the SIS is carrying out what I.L. accuses his predecessors, the opposition, and part of the media of doing. The SIS surveillance unit is continuing to monitor the persons trying to uncover the SIS's involvement in the abduction of Michal Kovac Jr. to Austria. On 12 June 1996, a SIS surveillance team was operating in Gorky Street in Bratislava and was monitoring the office of Dr. Jan Havlat, who is Michal Kovac Jr.'s lawyer. It is necessary to point out that Dr. Havlat has been under SIS surveillance for several months and that his telephone is bugged.

The SIS surveillance unit is also monitoring the movements of Oskar F. According to information from sources close to the SIS, on 31 May 1996, a SIS surveillance team monitored Oskar's father in connection with his planned trip abroad. All of these activities are controlled by the director of the SIS surveillance unit, Colonel Gejza Valjent. It is necessary to state in connection with him that he is a former StB [State Security] officer who was also trained by the KGB in Moscow.

I will publish details from the career of Colonel Valjent under the communist regime in the next few days. Now, however, I would like to ask publicly Interior Minister Ludovit Hudek on what legal basis was Colonel Gejza Valjent paid severance pay amounting to 280,000 korunas after completing his service in the Slovak Police Corps a few weeks ago. He has been working in the SIS for more than a year and has no right at all to severance pay; so, the aforementioned sum was paid to him unjustifiably. I will also address an official interpellation to Interior Minister Ludovit Hudek on this matter. It seems that this is a "kickback" for Colonel Valjent from the state's coffers for serving the SIS director faithfully. Colonel Valjent's people are also monitoring Mr. Gimera, the representative of the unjustly discharged police officers, because Engineer Gimera communicated to Prosecutor Dr. Vlachovsky an offer from a witness concerning the false—so-called secret—witness in the case of the abduction of Michal Kovac Jr. I will give the details to the public later so that it can see for itself that the former StB officers in the SIS are again employing the methods of the former communist secret police where they once worked.

In connection with the illegal activities of certain members of the SIS and the Police Corps, I would like to say that there is information that the recently published recordings of the telephone conversations concerning the "palace coup" within Slovenska poistovna [Slovak Insurance Company] come from sources close to the police. If this turns out to be true, then a situation has indeed arisen whereby the Movement for a Democratic Slovakia has the SIS under its control and its coalition partner the Slovak National Party is using in its favor certain police officers led by the Police Corps president, Colonel Jozef Holdos.

I bring my information to the attention of Messrs. Slota and Gaulieder, who are preparing to visit the SIS. Maybe it would be interesting if they were to ask SIS Director Ivan Lexa why relations between the SIS and the intelligence services of democratic Western states have been frozen. Let Ivan Lexa explain to them why they got rid of the post of liaison officer responsible within SIS intelligence for contacts with abroad. Let him explain to them why officers from the SIS analytical unit were on a study trip at the headquarters of Russian intelligence in Moscow. The public wants to know the truth, where our secret service is heading.

Slovakia: Minister's Son Becomes Vice President of Company

AU1706172496

[FBIS Report] Slovak newspapers on 14 and 15 June publish reports and commentaries on personnel changes in the top management of East Slovak Iron Works [VSZ] Kosice, Slovakia's largest industrial company, paying special attention to the "vertiginous career" of Julius Rezes, 26, son of Minister Alexander Rezes, who has become the youngest vice president in VSZ history.

Bratislava SME in Slovak on 14 June on page 1, under the headline "Minister Rezes's Son Becomes VSZ Vice President," carries the following report by "eb": "The career of Julius Rezes Jr. has been vertiginous ever since his father—a former VSZ Kosice vice president—became a member of Meciar's cabinet. Yesterday Rezes Jr. became the youngest vice president, as well as member of the Board of Directors, in the history of VSZ Kosice. Julius Rezes, Jr., until yesterday director of the Finance Department, is 26. As is stated in a communique issued by the VSZ Kosice Public Relations Department, the Supervisory Board decided at its session yesterday on important personnel changes in the management of VSZ Kosice. Engineers Ladislav Matusak and Jan Valencik were released from the posts of vice presidents and members of the Board of Directors at their own request. New members of the Board of Directors and vice presidents are, apart from Julius Rezes, Anton Jura, previously director of the Keramika [Ceramics] Ltd., and Jan Seno, general director of the VSZ's ZOS [foreign trading companies] division."

Bratislava SLOVENSKA REPUBLIKA in Slovak on 15 June on page 2 carries a 200-word report by M. Danko on an "extraordinary meeting of the VSZ Board of Directors," in Kosice on 14 June, the Board's first meeting after the personnel changes approved by the VSZ Supervisory Board on 13 June. According to the report, the meeting reelected Jan Smerek as chairman of the Board of Directors and VSZ president and Ladislav Drabik as deputy chairman of the Board of Directors and VSZ vice president for management. The newly elected members of the VSZ Board of Directors were reportedly assigned the following responsibilities—Julius Rezes will be vice president for trade, Anton Jura vice president for strategy, and Jan Seno vice president for finance.

Bratislava SME in Slovak on 15 June on page 4 carries a 400-word commentary by Eva Bombova on the personnel changes in VSZ Kosice entitled "Metallurgical Changes—a Natural Rotation?" The commentator notes that, following the replacement of the "technocrats" Matusak and Valencik, "there is practically no representative of the metallurgical trade in the VSZ top management." Matusak's and Valencik's "handicap" was, according to the commentator, that "they did not belong to the group of successful metallurgical top managers such as Hrinko, Smerek, Rezes, or Drabik who, with generous support from Meciar's outgoing cabinet in March 1994, obtained VSZ Kosice shares by establishing, at lightning speed, the MANAGER company. Some well-informed circles say that around 50 percent of VSZ Kosice shares are today in the hands of, or indirectly controlled by, two strongmen—Minister Alexander Rezes and VSZ Vice President Ladislav Drabik. It is only natural that their word is decisive when it comes to filling posts and, following the last annual meeting of shareholders, it was thus only a question of time before Julius, the son of Minister Rezes, would occupy the vice presidential seat."

According to a 300-word CTK report in Bratislava HOSPODARSKE NOVINY in Slovak on 13 June on pages 1 and 2, VSZ Kosice was the largest Slovak company in terms of sales in 1995—49.8 billion Slovak korunas [SK], SK10 billion more than in 1994; the third largest company in terms of profit—Sk5.2 billion; the second largest company in terms of number of employees—25,000, compared with Slovak Railroads' almost 52,000; and the country's biggest exporter.

Slovakia: Commentary on Change in Kovac Jr Kidnapping Inquiry

AU1706123596 Bratislava SME in Slovak 14 Jun 96 p 4

[Commentary by Peter Toth: "He Could Have Spared Himself the Trouble"]

[FBIS Translated Text] Prosecutor R. Vlachovsky, who oversees the case of Michal Kovac Jr.'s abduction abroad, has expressed disagreement with the decision of Prosecutor J. Ciz to shelve the file on this case. The investigation of the kidnapping of the president's son will thus continue. This step by the prosecutor signals a few subtle shifts against the past when the same R. Vlachovsky canceled the decision of P. Vacok [former investigator of the case] to bring charges against two Slovak Information Service [SIS] members (Oskar F. and Igor M.) and subsequently, after [SIS Director] Ivan Lexa filed a complaint against P. Vacok, took the latter off the case. After the appointment of J. Ciz to investigate the case, the overseeing prosecutor seemed to be satisfied with his method of investigating it. Today it has become apparent that his satisfaction has certain limits, as he has recognized as necessary some additional proceedings to take evidence. R. Vlachovsky has thus found himself, indirectly, involved in polemics with J. Kostov, chief of the [Slovak Police Corps] Section of Investigations, who believes that J. Ciz "did a good job" (despite the fact that, after seven months of investigations, he did not find enough evidence to bring charges against a specific person).

The decision of overseeing prosecutor Vlachovsky can also indicate a shift in his own attitude, or in the attitude of the entire Prosecutor's Office, toward the Michal Kovac Jr. kidnapping case. It is conceivable that even Prosecutor General M. Valo will no longer react as sharply when J. Ciz (or another investigator] suspects Lexa's SIS of having committed the criminal act of abducting a citizen of the Slovak Republic abroad. Let us recall that, during a nocturnal meeting, the prosecutor general had criticized P. Vacok for his procedure in the investigation, a procedure that led to the leveling of complicity charges against SIS members. The decision to carry on the investigation of the case could also be, for the persons involved, a certain insurance policy for the future and a connection with the destabilization of the government coalition and with the prime minister's longer-term sick leave cannot be ruled out either.

R. Vlachovsky has actually stated that J. Ciz did not do his job well. He will have to bring together more evidence, set right procedural errors, and eliminate shortcomings in the justification of the decision to shelve the file. Had Vlachovsky not taken Vacok off the case, perhaps he could have spared himself all this unnecessary red tape.

Hungary: Horn on Economic Reform, Russia, EU, NATO

BR1706140896 Madrid EL PAIS in Spanish
17 May 96 p 8

[Interview with Hungarian Prime Minister Gyula Horn by Angel Santa Cruz in Budapest; date not given: "We Hungarians Are Paying a High Price for Joining the EU"]

[FBIS Translated Excerpt] [Passage omitted]

[Santa Cruz] Is the worst part of the drastic adjustment plan for the Hungarian people over or is it yet to come?

[Horn] Unfortunately, it will continue, although we will not adopt measures as radical as those taken in 1995 when real wages fell by 12 percent and consumption by 10 percent. This year I would like the wage cut to stay below 3 percent. If we manage to stick to our budget commitments, then wages will not fall in 1997. The Hungarian people are paying a very high price, but in 1995, for the first time in 10 years, we adjusted wages in line with the country's real potential. In two years we cut the budget deficit from 8.5 percent to 4 percent of GDP. In 1994 the balance of payments deficit was $3 billion, now it is $2 billion. I do not envy my own government at all because all that creates very serious tension. But either we continue to follow this path—even though at times it may be unpopular—or we trick the voters.

[Santa Cruz] Why are former communists in power in almost all of central and Eastern Europe?

[Horn] I do not want to talk about other countries, but I feel solidarity with them. In Hungary it was a small group of leaders from the State [Communist] Party who promoted the change in the second half of the 1980's. My colleagues and I are among those who said we had to bring down the regime since it was antidemocratic and antiprofit. It was not hypocritical. It was based on the conviction that the system had to be radically transformed.

[Santa Cruz] What is your opinion of the recent elections in the Czech Republic?

[Horn] Voters like to have a good prospects, but the crucial thing is how a government's policy reflects in its everyday life. As a Leftist, I am pleased with the advances made by the Social Democrats. I am convinced that in Europe there are just two fundamental tendencies, the right and the left. Laissez-faire policies can be a hinge. Getting back to the Czech Republic, I think that the alternative to the right could be a European-style left. I do not know what the new government will be like, but I am sure that the prime minister, whether it is Klaus or someone else, will carry on with the transformation process.

[Santa Cruz] After two years of alliance, how is the coalition government with the Hungarian liberals working out?

[Horn] There are discussions and there is tension. Welfare reform is on the table now. It is important to decide whether we want drastic changes in public health, in pensions, or in education, but the discrepancies begin when we try to apply the changes. The coalition does not talk about ideology but more practical matters. We agree with our partners that we must take simultaneous action in two key areas. One is stabilizing the economy, which we do not dispute. The other is the pace for accomplishing the reforms without exceeding the people's patience. That is where the conflict lies. The liberals are making ordinary issues matters of principle.

[Santa Cruz] I have heard alarming reports about the increase in organized crime, and how it goes unpunished in Hungary.

[Horn] That is one of the biggest evils in central Europe. Gangsters always show up during social transformation processes to take advantage of the confusion. It is natural for crime to gain ground while the legal framework has not been refined and there is a lack of sufficient experience, or when the government is devoting its energy to tasks which have higher priority. The other problem is that that crime is international in nature, is very well organized, and handles a great deal of money, with which it tries to buy politicians and officials. I think fighting organized crime is a key task.

[Santa Cruz] Do you think that your government enjoys popular support?

[Horn] I think it is very encouraging that despite the measures we have taken the majority of the people is still with us. Sometimes even I do not understand it. Perhaps the people think that this government is lining its pockets. In two years there has not been one serious corruption scandal in Hungary, despite the fact that the media and parliament are looking for them with a magnifying glass. If we were to find any evidence of a scandal, we would take extremely tough action. That could be one of the explanations for why the government has kept the support of the people.

[Santa Cruz] What are you expecting from the Russian elections?

[Horn] That is a tough question. Many things are mixed up together in Russia, but I do not know to what extent modernization has been present in the campaign. That is the key issue. Making predictions is very uncertain;

anything could happen, but the crucial thing for whoever becomes president is to move forward as fast as possible toward modernization. I support those who want to make radical reforms in Russia. The time has come to take that path.

[Santa Cruz] When could Hungary join the EU?

[Horn] On 24 December 2000. That could be a Christmas present for the Hungarian nation [laughs]. I think that the 15 EU member states are in favor of Hungary being in the front line. So is the new Spanish Government. It is crucial to us. We are subordinating all our internal, legal, and economic norms to our EU membership. Hungarian society is paying a very high price to be able to join—higher, I think, than any other EU country. Times are very tough for the majority of the Hungarian people. If our membership drive fails, the collective disappointment will be enormous. The EU has the very serious responsibility of not abandoning a country.

[Santa Cruz] What stage has privatization reached?

[Horn] It has reached the final stage. Private property will exceed 70 percent, reaching 80 to 85 percent next year. We have privatized such strategic sectors as energy and telecommunications, something which many Western European countries have not yet done, and virtually no country in this region. At times, I get the impression that we are better pupils than the EU members themselves.

[Santa Cruz] Do you think that the announced reform of NATO's structure could speed up Hungary's membership?

[Horn] I do not know which will be first, NATO or the EU. The crucial thing is that by the end of the millennium we are able to join both organizations. There is no need to hurry. The national and international conditions have to be created.

[Santa Cruz] How are relations with the neighboring countries of Romania and Slovakia, where there are sizable Hungarian minorities?

[Horn] Relations are very good economically, culturally, and personally. The problem is that in both Romania and Slovakia they sometimes pass laws that are not in line with European legislation on minorities. The education law in Romania is not in line with requirements; nor is the language law in Slovakia.

[Santa Cruz] The king and queen of Spain are due to visit Hungary soon.

[Horn] Yes, we are expecting them in September. It is a good time for relations between the two countries.

Hungary: Official on Ethnic Hungarian Criticism, Demands

LD1706133696 Budapest Duna TV in Hungarian 1600 GMT 16 Jun 96

[Interview with Laszlo Labody, chairman of the Office of Hungarians Abroad, by Pal Csaky; place and date not given—recorded; from the "Weekly Courier" program]

[FBIS Translated Excerpt] [Labody] I really do not know what to say about some of the questions raised [by Laszlo Tokes]. It would be a grave mistake for a government to pursue a nation-policy [nemzetpolitika instead of a state-policy, allampolitika]. The government is not identical with the state either, for the state is much more than the government and the nation is much more than the state. It may sound rhetorical, but it is the nation—everyone and everything that constitutes the nation—which should pursue a nation-policy. It is enough for a government to fulfill its tasks as laid down in the constitution, and it should not do more than that.

A strategy becomes a nation-strategy if all the participants—political parties, scientific and cultural institutions, society, churches, and everybody—follow the same direction and aim. [passage omitted]

I regret that Bishop Tokes considers [the Hungarian Government's] political style paternalistic and patronizing—we must be doing something wrong. However, we should know more about the reasons for this criticism. I admit that grants [for Hungarians abroad] are distributive because, naturally, these resources are allocated from Hungary's central budget. [passage omitted]. However, since 1994, since this government came to power, we have tried to give those concerned as great a say in the distribution of Hungarian budget resources as possible.

Concerning the confrontation of the mother country and the [Hungarian] minority communities, it is true that in his opening speech [at the fourth congress of the World Federation of Hungarians, held in Budapest 15-16 June] Bishop Tokes very sharply criticized Hungarian Foreign Minister Laszlo Kovacs. I consider this more than regrettable. [passage omitted]

We have just mentioned the idea of a nation-policy and a nation-strategy. I am convinced that if there is a nation-strategy at all, the aim and purpose of it should be Hungary's admission to the EU. This is our nation strategy, if we can use this term. I am convinced that if Hungary becomes an EU member, all the 15 million Hungarians will equally benefit from this. [passage omitted]

[Csaky] What do you think about the proposal that the congress [of the World Federation of Hungarians] should declare equality rights for [all] Hungarians?

[Labody] I consider this a very important emotional factor. I consider it more than appropriate that the congress of the Hungarian nation—which is split into three parts, or lives in three different places [in Hungary, in the West, and in the neighboring countries]—should express solidarity with those who live as a minority. It gives an emotional boost to those people.

What can we do with this in a legal sense? This is a more difficult question. Law and international relations are not emotional matters. We need both of them, but we have to separate these issues.

[Csaky] Were there any statements and ideas [raised at the congress] with which you cannot agree?

[Labody] How can we expect tolerance from the Slovaks, the Romanians, and the Serbs if we are not tolerant either? For me it is the most natural thing to listen to everybody, whatever he says, with patience and think about what he says instead of banging and hissing [as in congress's reaction to Prime Minister Gyula Horn's speech].

Hungary: New Army Commander Views Tasks, Prospects

AU1706200196 Budapest MAGYAR NEMZET in Hungarian 15 Jun 96 p 6

[Interview with Ferenc Vegh, Hungarian Army commander and chief of staff, by Frigyes Varju; place and date not given: "We Must Break Away From the Ghetto State"]

[FBIS Translated Text] [Varju] You became the new commander and chief of staff of the Hungarian Army less than two weeks ago. Has this short time been sufficient for you to see what kind of army you are commanding?

[Vegh] Of course, I reviewed the situation and I can say that the situation of the Hungarian Army is serious today, but we are seeking the possibilities for overcoming the problems. The crisis has deepened in many areas of army activity, and this led to a situation in which the reform of the armed forces might become questionable if we fail to do everything possible to eliminate the problems as quickly as possible. Moreover, the professional soldiers, who make up the backbone of the army today, might also regard the personal decisions and efforts made so far as useless. Therefore, we must strive to examine and analyze the real situation of our army and to openly present it to the public.

[Varju] Let us be concrete then. What is the situation of the Hungarian Army like? What is the financial and professional situation of our soldiers?

[Vegh] The Hungarian Army is struggling with a crisis. A budget and financial crisis management has been going on in the army for years. We have been insolvent since 1950 and we used up our reserves. In such a situation, the Hungarian Army is only capable of fulfilling partial tasks, and is only capable of carrying out the basic tasks stipulated by the law through extraordinary efforts and a lot of energy and time.

[Varju] In view of all this, the politicians in Parliament who have been attacking the current pace of army reform and army restructuring for quite some time are right.

[Vegh] I would not criticize the results of the army reform because these tasks have to be carried out and they also have to be continued. I rather agree with the claim that we carried out the steps so far by not synchronizing the military goals, the concepts, and the resources. As we lack this balance, anomalies are natural. The other problem is that, in reducing our personnel, we failed to take the particularities of certain troops into consideration. We wanted to reach the personnel composition used at NATO overnight, in one step, namely to have 13 percent professional officers and 15 percent professional warrant officers in the army.

[Varju] Would it have been a mistake to set this goal?

[Vegh] Yes, because the Hungarian Army was always based on officers. There has always been an intensive officer training in Hungary. Tasks of warrant officers according to NATO norms are carried out by officers in the Hungarian Army. It was the leading principle of the old centralized army command to have as many reliable officers as possible in the army. However, if we want to reduce the number of officers, we must clearly increase the number of warrant officers capable of carrying out partial tasks. However, we lack the necessary tradition and culture for this, so we could not increase the number of warrant officers to the required level, and this led to tension in the troops. We dismissed the redundant officers, and the required number of warrant officers did not flow in; those who did flow in were not adequately prepared because they came to us from civilian life.

[Varju] Does this mean that you have a totally different view of the guidelines and tasks of the army reform than the one formulated by the political echelon, one that started the reorganization of the Hungarian Army?

[Vegh] I agree with the overall goals of the army reform, but I do not agree with all the aspects of the road leading to this. Therefore, we suggest modifications in the decision made by Parliament last year.

[Varju] Could you tell us a few concrete ideas?

[Vegh] Among other things, we must make changes in the rate of internal personnel and the budget balance. This is the most urgent task.

[Varju] Based on the current finances, for how long is the arm capable of carrying out its original tasks this year?

[Vegh] Given the current budget and the current system of tasks, personnel, and this year's army reform plan, we cannot solve the budgetary crisis. We will face unpaid bills this year. A political decision is needed to determine the types of tasks the army should be capable of fulfilling and the budget needed for this. If we have this, we soldiers will tell what kind of army we are capable of activating under the given circumstances. We will also show, however, what kind of a reduction in our defense capability all this leads to. Everyone must admit that it is impossible to increase our defense capability without increasing our budget.

[Varju] Do you find it dangerous that a considerable number of professional soldiers are collecting signatures because of the bad financial and professional conditions? This is something without parallel in the history of the Hungarian Army.

[Vegh] This shows the bitterness of our professional soldiers. This question cannot rise so strongly where officers are paid honorably and their working conditions are guaranteed and, thus, they only have to deal with their own tasks.

[Varju] Bundeswehr soldiers are paid much better; nevertheless, they also organized demonstrations.

[Vegh] Of course, there were demonstrations in Germany, too, because the German Army is also in a process of transformation in the wake of its fusion with the East German army. The army image has been changing everywhere since the collapse of the two-pole world order, and the armies everywhere have been seeking their place and role in society. It is easy for politicians to formulate that we do not regard anyone as enemy, but it is extremely difficult for a soldier to interpret this during his training.

[Varju] You personally embody one of the best trained Hungarian military leaders because you studied in America and the former Soviet Union as well. Do you think that tensions might emerge between the two types of commanders in the process of army restructuring?

[Vegh] I do not think so. The two types of studies actually complement each other because we can brilliantly combine the practical, command, and leadership experiences we received in the former Soviet Union—which also stood at the basis of the activity of the Hungarian Army—with the conceptive way of thinking we learned in the United States.

[Varju] There has been a considerable political storm in recent months over the depoliticized army. Are you planning any steps to make it impossible for big politics to interfere in the army's everyday like to such an extent?

[Vegh] It would be very good to see politics keep away from the army. In the wake of the MiG-affair, people should understand that the army always functions according to approved plans. Of course, we admit that in a democratic society everyone is obliged to observe the Constitution and the laws. Learning from the MiG-affair, however, we will strive in the future to make sure that we do not carry out tasks that are not adequately approved by Parliament. As one of my major tasks, I plan to definitely review the system of military leadership to avoid parallelism, and thus we will probably be able to avoid mistakes similar to the MiG-affair.

[Varju] Do you also plan to make contacts with politics?

[Vegh] Given my function, this is not my task. I asked the defense minister to inform Parliament's Defense Committee of all the steps connected with the army reform because defense can only be based on consensus and everyone has to participate in this. We must break out of the ghetto state, and we must present our tasks to the tax payers much more openly because only in this way can we count on bigger support. We must coordinate between the system of tasks and the budget as soon as possible, in a way that Parliament should determine this system of tasks for the army. If this takes place, and with the concentration of resources and means, the army will show what it is capable of doing by working out a new medium-range reform thought.

[Varju] The will of the coalition has its imprint on the current army reform, too. What if they do not change their direction in the future either?

[Vegh] In my own function, all I can do is work out what kind of army we can maintain from the given budget, and I will also say what the capability of such an army is.

[Varju] Have you set a deadline for yourself to clarify the situation?

[Vegh] I would definitely like to see a parliamentary decision on the army and its future as early as this year.

B-H: Izetbegovic, Turkey's Demirel Brief Press on Talks

LD1706223496 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 17 Jun 96

[Passages within quotation marks are recorded]

[FBIS Translated Text] [Cumurovic] The anthems of the Republic of Turkey and the Republic of Bosnia-Herzegovina marked the beginning of Turkish President Suleyman Demirel's first visit to Sarajevo. President Demirel has visited Bosnia-Herzegovina on two previous occasions. Following a two-hour talk between Izetbegovic and Demirel and their delegations, the presidents confirmed that the talks and visit are part of the good relations between Turkey and Bosnia-Herzegovina. The general situation in Bosnia-Herzegovina, that is, the results of the Dayton implementation, formed the framework of today's talks. This is how President Izetbegovic assessed the talks:

[Izetbegovic] "I had to mention in that instance the [clarifying indistinct words] problem of freedom of movement, removal of war criminals and their extradition to the court, problems with returning refugees, and of course, the problem of the forthcoming elections."

[Cumurovic] We stressed the need finally to achieve peace and to resolve all potential conflicts in the region, Izetbegovic said, adding:

[Izetbegovic] "We also discussed what Turkey could do for Bosnia- Herzegovina in the future in terms of reconstruction, its companies' participation in projects, and military cooperation. We discussed the reopening of Sarajevo airport and what Turkey could do in this connection. According to the agreement, a Turkish expert team will also come to examine what Turkey can do with regard to repairing our railways [clarifying indistinct words]."

[Cumurovicj] Finally, President Izetbegovic expressed his gratitude for the help given by the Turkish people and President Demirel to Bosnia-Herzegovina. He also announced a donation of $20 million.

[Izetbegovic] "Perhaps I should mention that [words indistinct] decision of the Turkish government to turn a loan worth $20 million into a donation."

[Cumurovic] In a lengthy address to journalists, Suleyman Demirel reemphasized Turkey's support several times. Turkey was one of the first countries to recognize Bosnia-Herzegovina. As prime minister and later as president, I personally supported and played a large role in stopping the war and improving the situation after the end of war operations, he stated.

[Demirel, in Turkish (correcting from "English") with passage-by-passage translation into Serbo-Croatian] "Turkey will always support Bosnia-Herzegovina. Each country has a different but appropriate role in [words indistinct] in Bosnia-Herzegovina, [words indistinct] with the same continuity [words indistinct] forgot the text of the [words indistinct]. [Words indistinct] the suffering of the Bosnian people and the Turkish people who suffered with them are indescribable. Bosnia-Herzegovina will be rebuilt; reconstruction will [words indistinct] I call on the entire world to participate in this project."

[Cumurovic] A ceremony at which President Demirel is to be decorated is currently in progress. This afternoon, the Turkish president will meet Messrs. Zubak and Ganic. General Ismail Hakki Karadayi, Turkish chief of general staff, is to meet Bosnia-Herzegovina Army Commander Gen. Rasim Delic. The Turkish delegation will also visit Turkish IFOR troops stationed in Zenica.

B-H: Izetbegovic Bestows 'Highest Decoration' on Turkey's Demirel

LD1706221196 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 17 Jun 96

[FBIS Translated Excerpt] [Passage omitted] [Cumurovic] President Demirel addressed the train and equip project.

[Demirel in Turkish with passage-by-passage translation into Serbo-Croatian] Conditions must be created so that the Bosnian and Croatian armed forces are stronger; they must be a [word indistinct] force and we hope that within the train and equip project turkey will be a country that will actively participate in its implementation in cooperation with other countries.

[Cumurovic] A ceremony followed the official part of the talks, at which Bosnia-Herzegovina's highest decoration—the Golden Order of Kulin Ban [medieval ruler of Bosnia]—was bestowed on Turkish President Suleyman Demirel. Explaining the reason for the decoration, President Alija Izetbegovic said that President Demirel deserves the decoration as one of the most distinguished international statesman and a great fighter for democracy in his own country.

[Izetbegovic] The order symbolizes our gratitude to the Turkish people and state for the great moral, political, and other help extended to Bosnia-Herzegovina in the past four years which have been among the hardest in our history. The consistent support of the Turkish people gave us the feeling that we are not alone, and it encouraged our struggle for freedom. Turkey supported Bosnia- Herzegovina's admission to the United Nations and other international organizations. It contributed significantly to the mobilization of the Islamic world in the organization of the Islamic Conference to offer aid to our country [clarifying indistinct words]. It stood by us in the difficult moments of the peace process, when certain important principles of justice were called into question.

[Cumurovic] The implementation of the peace accord as regards the basic issues of freedom of movement, refugee return, and free, democratic elections, is proceeding with difficulty, Izetbegovic said [rewording sentence]. That is why we will continue to need Turkey's support and help; we have no doubt that you will help us, President Izetbegovic said.

[Izetbegovic] I bestow on you this high order and I congratulate you from the bottom of my heart; I wish you health and a long life for the well-being of [clarifying indistinct words] your country and your people. [applause]

[Cumurovic] President Demirel received the highest decoration of Bosnia-Herzegovina, the Golden Order of Kulin Ban, and stressed that the ceremony was of special significance for him personally and for the Turkish people.

[Demirel in English fading into Serbo-Croatian report] I am greatly honored to accept from President Izetbegovic the Golden Order of Kulin Ban, which represents the highest values that his people attribute to dignity and freedom. On behalf of the Turkish people, who in every moment of your historic struggle shared the sorrow of their Bosnian brothers and rejoiced when you rejoiced, I thank you for bestowing this honor on me. I shall cherish it with great pride.

President Demirel said that the world should not accept any partitions or imposed solutions based on ethnic partition, and added: We have made a modest contribution to the reconciliation of the Croats and Bosniaks in Bosnia-Herzegovina. This has paved the way to the establishment of the federation, which is one of the main foundations of peace according to the Dayton accord. We must keep in mind that economic revival is the crucial element of the peace process and rehabilitation. The road to recovery and reconstruction in Bosnia-Herzegovina calls for multilateral and bilateral efforts and cooperation.

As has been announced, President Demirel's and the Turkish delegation's visit will continue tomorrow when they are scheduled to visit Mostar.

B-H: Izetbegovic, Turkish President Visit Mostar

AU1806151996 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 18 Jun 96

[FBIS Translated Text] Turkish President Suleyman Demirel today arrived in Mostar to announce Turkey's aid in reconstructing the Old Bridge, which was destroyed during the war in Bosnia-Herzegovina, and to open a Turkish consulate in the city.

Demirel, who is visiting Bosnia-Herzegovina for a second day, arrived in Mostar accompanied by Alija Izetbegovic, president of the Presidency of the Republic of Bosnia-Herzegovina. The two presidents were welcomed by the mayors of the eastern and western parts of Mostar, Safet Orucevic and Mijo Brajkovic respectively, as well as Mostar EU Administrator Ricardo Perez Casado.

Accompanying President of Bosnia-Herzegovina Alija Izetbegovic and President of Turkey Suleyman Demirel on their Mostar visit today were the two reis ul-ulemas [heads of the Islamic community], Dr. Mustafa Efendi Ceric and (Sheih Yilmaz Mehmed) who, accompanied by the Mostar mufti, visited the war cemetery in Mostar where they [words indistinct] for fighters' souls.

Warmly greeted by Mostar citizens, who came out into the streets to welcome them, the most prominent state and religious representatives of Bosnia-Herzegovina and Turkey, Presidents Alija Izetbegovic and Suleyman Demirel, Reis Ul-Ulemas Dr. Mustafa Efendi Ceric and (Sheih Yilmaz Mehmed), and their aides walked through the city to the office of [word indistinct], where they stayed for cordial and friendly talks.

On behalf of the Mostar Presidency, Mayor Safet Orucevic [words indistinct] Old Bridge. The two presidents then held a news conference in the close vicinity of the Old Bridge.

President Demirel called upon the whole world to take part in the reconstruction of the Old Bridge [words indistinct] in this enterprise, as well as the reconstruction of the old part of Mostar and one Mostar mosque. He called on all people to live in [word indistinct], love, and tolerance.

President Izetbegovic welcomed Turkey's readiness to help rebuild old Mostar, particularly the Old Bridge, and supported the position that tolerance and democracy should prevail everywhere. We want to build up a community where nobody will be persecuted for their religion or nationality, he stressed at a news conference.

In honor of the prominent guests, several young men and women jumped from the Old Bridge [a Mostar tradition] attracting the guests' special attention.

On the basis of a statement signed by Presidents Izetbegovic and Demirel, the Alija Izetbegovic Fund was established today for the reconstruction of the old part of Mostar and [word indistinct] in Mostar. The Turkish Government will be making the first donation to this fund.

B-H: Silajdzic Accuses SDA 'Extremists' of Attack

AU1706205696 Belgrade BETA in Serbo-Croatian 1419 GMT 17 Jun 96

[FBIS Translated Text] Sarajevo, 17 Jun (BETA)—Haris Silajdzic, president of the party for Bosnia-Herzegovina, has accused extremists of the Party of Democratic Action (SDA) of the attack carried out against him and members of his party on Saturday [15 June].

Silajdzic told Independent Television 99 last night that "the attack in Cazin was carried out by a group consisting of a score of extremists under the SDA banner" and added that the attackers' names are known, Sarajevo ONASA agency reports.

Silajdzic claims that the attack had been organized in Bihac and that the group of SDA extremists is working on breaking Bosnia apart and establishing their power in part of Bosnia-Herzegovina.

"It can be felt that Krajina citizens are living in fear and everything indirectly shows that the action had been well-organized. The police failed to guard the meeting, although the wild behavior lasted almost four hours and our party convention had properly been registered," Silajdzic said.

The Ministry of Internal Affairs of the Federation of Bosnia-Herzegovina announced that members of the Public Security Station (SDB) in Cazin tried to prevent the attack against Silajdzic.

It is said in the announcement that the incident took place when a large group of citizens, who were demonstrating in front of the movie theater to protest Silajdzic's arrival, barged inside to physically settle accounts with him.

"Members of the Cazin SDB formed a wall around Silajdzic trying to escort him through a side door. At one moment, Silajdzic was hit, most probably with a flag pole. Seven members of the Cazin SDB were lightly injured in the attack," it is said in the announcement. The Ministry of Internal Affairs of the Bosnia-Herzegovina Federation sent an expert team to Cazin to shed light on the case and find the culprits of the attack against Silajdzic, it is further stated in the announcement.

B-H: Cazin SDA Claims Silajdzic Supporters Provoked Incident

AU1706194096 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 17 Jun 96

[FBIS Translated Text] In this newscast we are carrying more reactions to the attack on Haris Silajdzic, chairman of the Party for Bosnia-Herzegovina, on 15 June in Cazin.

Surprised at attempts to make it responsible for the deplorable event in Cazin, when the chairman of the Party for Bosnia-Herzegovina, Haris Silajdzic, was physically attacked, the municipal organization of the Party of Democratic Action [SDA] in Cazin has sent a message to its political opponents that they should not count on scoring political points by staging such and similar incidents. According to the SDA, everything started on 15 June in Bihac, on the occasion of the founding assembly held by the Party for Bosnia-Herzegovina, at which members of that party openly insulted and cursed Alija Izetbegovic, the legal president of the Republic of Bosnia-Herzegovina, and Islam. The news quickly spread to Cazin. A spontaneous rally of patriotic forces, demobilized soldiers of the Army of Bosnia-Herzegovina, war invalids, members of the families of the fallen, and many other citizens followed in the Cazin Municipality. From the group supporting Silajdzic, somebody loudly cursed [word indistinct] and President Izetbegovic, which resulted in citizens' physically assaulting Silajdzic's followers, while Silajdzic himself was injured in the process. Insisting on an investigation to shed light on these events and on an appropriate and deserved punishment for those responsible, the SDA municipal organization in Cazin declares that the party will continue to work in accordance with its policy principles and political goals and persevere in the struggle for democracy and pluralism of interests in a unified Bosnia-Herzegovina, together will all patriotically oriented political forces.

B-H: Herzeg-Bosnia Radio Says Cazin Attack Act of 'Terrorism'

LD1706213496 Mostar Croatian Radio Herzeg-Bosnia in Serbo-Croatian 1600 GMT 17 Jun 96

[FBIS Translated Text] Our correspondent Ivan Kristic [Herzeg-Bosnia radio editor-in-chief] comments on the Cazin incident and its possible implications.

[Begin Kristic recording] The name of the Muslim Party of Democratic Action, SDA, includes a reference to democracy but, in practice, this party has been consistently cultivating absolutism and terrorist methods are nothing new to it. The SDA has demonstrated this before and the roughing up of Haris Silajdzic in Cazin, an SDA dissident and big-headed leader of the Party for Bosnia-Herzegovina, was apparently a lesson in anatomy and antidemocratic, barbaric, behavior.

While the SDA leadership has never spared us their empty words and never stopped talking about democracy, a multithis and multithat Bosnia-Herzegovina, in the naive belief that their sweet words would cover up their activities which are completely different from their hollow verbalism—the SDA activists carrying party banners used metal bars as a strong argument to convince Silajdzic what real democracy was about and what type of activities he was not allowed to pursue.

Even the most naive and dupable ones could see for themselves the real goals and inclinations of the SDA Muslim leaders. If Haris Silajdzic, who allegedly supports a so-called integral, unitary, civil and democratic Bosnia-Herzegovina, is unacceptable to them [the SDA] and deserves a blow with a metal bar to his big head, then one can imagine how much democratic and cultural tolerance they [the SDA] will manifest when dealing with other [non-Muslim] parties and their leaders.

The Cazin assassination against democracy, the multiparty system and freedom of political activities has shown the real face of Islamic fundamentalism; only those in favor of Jamahirya are acceptable.

The events following the barbaric assault on Silajdzic show that this was not an accident, that it was an organized assassination attempt. Not only did the local Muslim police fail to protect him but he also could not get any medical aid in Cazin and had to seek help in Karlovac and Zagreb.

Even though I do not agree with Silajdzic's political standpoints, I support his right to political activity as well as the rights of all leaders of democratic and legally registered parties. In my view, the Cazin incident is an act of Islamic terrorism, a phenomenon which represents a lethal virus threatening democracy in Bosnia-Herzegovina despite all the fine words in support of democracy. [end recording]

B-H: Federation Minister Comments on Cazin Incident

LD1706214696 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 17 Jun 96

[FBIS Translated Excerpt] Today again we received many reactions to and condemnations of the attack on Haris Silajdzic, president of the Party for Bosnia-Herzegovina, two days ago in Cazin. Avdo Hebib, minister of internal affairs in the federation government, has added his reaction.

[Begin Hebib recording] The meeting that Dr. Silajdzic organized to promote his party in Bihac proceeded with no problems but for an incident in which a supporter of Dr. Silajdzic's, journalist Firzet Prosic, started to verbally abuse Islam and our president. This was heard by a group of people near him and the police reacted very promptly to prevent an incident. This first meeting, at 1100 in Bihac, proceeded with no other incidents.

The meeting in Cazin was scheduled for 1800, and it is possible that the news of the incident in Bihac had reached Cazin. A large crowd gathered to see Mr. Silajdzic arrive at the meeting and at one stage people rushed toward the hall where the meeting was to be held. [passage omitted]

Following the incident, the police launched an investigation to find out who the instigators were. They succeeded in identifying a group of offenders comprising Husein Abdic, Bahrudin Besirevic, Muhamed Besirevic, Irfan Merdanovic, and Mehmed Pandzic. The Cazin public security station has filed offense charges against these people and will continue to work on shedding further light on this case.

That the police had done everything possible was borne out by Dr. Silajdzic's escorts, Meho Hajdarevic and Mirsad Redzic, who joined the police in securing public peace and order and who confirmed that for their part the police did all that was objectively possible.

The Ministry of Internal Affairs will continue to take all legitimate measures to ensure that all election campaign meetings are held at a heightened level of security. [end recording]

B-H: Ministry Accuses Croats of Sabotaging Joint Defense

AU1706201396 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 17 Jun 96

[FBIS Translated Text] The reappointment of Vladimir Soljic to the post of defense minister of the so-called Herzeg-Bosnia government confirms that the Croatian side is violating the Dayton accord, and that the work of parallel institutions in the Federation of Bosnia-Herzegovina continues, reads the statement issued by the Federation Defense Ministry.

This can in no way be encouraging for the process of establishing federal defense institutions and confirms suspicions about the Croatian side's sincerity and readiness to form a joint army and joint defense ministry of the Federation of Bosnia-Herzegovina. This action, as well as other efforts at maintaining the parastate, exclusive Croatian defense system makes it impossible to set up joint defense institutions of the Federation and to pass the Defense Law, reads the statement.

B-H: Bosnian Croat Government To Continue Until Federation Set Up

LD1706185396 Zagreb HTV Television in Serbo-Croatian 1730 GMT 17 Jun 96

[FBIS Translated Text] Electoral preparations in Mostar have for a short while been pushed into the background. There have been different comments on two decisions by the Herzeg-Bosnia Presidential Council.

[Begin recording] [Correspondent Miljenko Karacic] At its session, held behind closed doors in Mostar on 15 June, the Presidential Council of the Croat Republic of Herzeg-Bosnia adopted a decision to reorganize the Herzeg-Bosnia government. According to the decision, the government's sphere of authority has been limited to six ministries. Even though it is clear from the names of the ministries that the Herzeg-Bosnia government's jurisdiction has been retained only in areas not regulated by federal laws, the Bosniak media immediately labeled this decision as a violation of the Dayton agreement.

[Herzeg-Bosnia Prime Minister Pero Markovic] The government of the Croat Republic of Herzeg-Bosnia will continue to exist with six ministries until the Federation has been fully established; out of the six ministries, four are state ministries. It is absurd to speak about the abolition of the Defense Ministry if the federal defense law has not yet been adopted.

[Karcic] The Presidential Council also adopted a decision on an amnesty for all people who did not heed the general mobilization call in the face of aggression against the Croat people in Bosnia-Herzegovina. This decision is justified by an obligation stemming from the general peace agreement for Bosnia-Herzegovina. It also encourages the implementation of federal laws in those areas under the control of the Croat Defense Council, and at the same time refutes allegations by those who say that the Federation of Bosnia-Herzegovina is dead in those areas. [end recording]

B-H: Ganic Says Croats Limiting Muslims' Freedom of Movement

LD1706153996 Belgrade TANJUG in English 1432 GMT 17 Jun 96

["Pool" item]

[FBIS Transcribed Text] Sarajevo, June 17 (TANJUG)—Vice President of the Bosnian Muslim-Croat Federation Ejup Ganic, a Muslim, has accused Bosnian Croats of limiting the freedom of movement in dozens of towns, dividing municipalities into Croat and Muslim parts and spurring on the moving out of Muslims.

In a report on the situation in the federation, which will be reviewed at the Constitutional Assembly on June 19, Ganic said that unannounced freedom of movement was not possible in towns controlled by Bosnian Croat military units.

Ganic said that in eight municipalities in the federation, Muslims were being dismissed without reason, stimulated to move out and had limitations imposed upon their expression of religious feelings.

He quoted as an example the Herzegovina town of Pocitelj, south of Mostar, where Islamic cultural monuments were being desecrated and where Muslim children attended schools under neighbouring Croatia's curriculums.

The Croat side has already described Ganic's report as a 'pamphlet against the Croatian people.'

Sources in Sarajevo believe that the report will provoke violent reactions at the Constitutional Assembly and create a further strain on the shaken relations in the federation.

After one year of fighting for territories with mixed population, Muslims and Croats bowed to strong U.S. pressure in March 1994 and agreed to form a joint federation.

The federation has still not started functioning and Muslims and Croats accuse each other of hampering its functioning.

B-H: 2 Bosniaks Plead 'Not Guilty' to War Crimes Charges

AU1806101096 Paris AFP in English 0956 GMT 18 Jun 96

[FBIS Transcribed Text] The Hague, June 18 (AFP)—Bosnian Moslems Hasim Delic and Esad Landzon on Tuesday pleaded not guilty before the International Criminal Tribunal for the former Yugoslavia to all war crimes charges levelled against them.

The two Moslems, appearing one after the other before the court here, rejected any responsibility for murders and acts of torture committed on Bosnian Serb detainees in December 1992 at the Celebici camp in the central Bosnian town of Konjic.

Lawyers for Delic, 36, Landzo, 23, raised procedural questions during the hearings and asked that the indictment be amended.

The two Moslems arrived here last week after being transferred from Sarajevo by Bosnian authorities who had arrested them last April following an indictment issued by the International Criminal Tribunal here last February.

They are accused along with another Moslem, Zejnil Delalic, and a Croat, Zdravko Mucis.

Delalic was in charge of the Celebici camp. His deputies were Mucic and Delic, while Landzo was merely a prison guard.

B-H: UNHCR's Ogata Assesses Prospects for Refugees' Return

AU1406171996 Belgrade BETA in Serbo-Croatian 1821 GMT 13 Jun 96

[FBIS Translated Text] Geneva, 13 June (BETA)—Sadako Ogata, UN high commissioner for refugees, stated today that the repatriation of Bosnian refugees is very difficult because "the essential aspect of the war has remained unresolved for the most part," and because "some leaders want the country to be ethnically divided."

"Some leaders are trying to continue doing what they did in the war, even in peacetime. While we are endeavoring to help people who want to return to their homes, which will also contribute to the country's unification, they want an ethnic division," Ogata said at the Florence conference, according to a statement issued in Geneva.

She called on the international community to make a decision that would force the opposing sides to abide by the provisions set forth in the Dayton accord, referring to the creation of the conditions for the return of refugees and displaced persons.

"In a climate of political separatism and confrontation, many people will not return if they do not feel safe or are not enabled to move freely," Ogata said.

"I would also call on the international community to make more efforts to speed up reconstruction, which has started at quite a slow pace, because this would also facilitate a safe return," the UN high commissioner said.

The UNHCR has selected 18 regions in Bosnia-Herzegovina for an international reconstruction program that will facilitate the process of repatriation, Odaka said.

According to her, the program, worth $183 million, will make possible the repair of 29,000 houses destroyed by war and the return of 165,000 people.

If, in the course of the next weeks and months, greater efforts were to be made, the return of those people could be facilitated. This, according to Ogata, would be the beginning of breaking up a vicious circle of reoccupied houses, which, in addition to the existing tensions, is the greatest obstacle to repatriation.

Ogata warned that little progress has been made in finding a solution to the problem of the 2 million people made homeless in the course of the war.

"The data speaks for itself: Only 70,000 refugees and displaced persons have returned to their homes so far," she said.

The UNHCR will continue to support the return of refugees in the areas where they constitute an ethnic majority and where destruction, rather than security, is the greatest problem, Ogata stated.

According to her, the UNHCR will continue to make efforts to accomplish the return of refugees to the areas where they are an ethnic majority and to keep the bus traffic between the two entities in operation, despite huge difficulties.

Ogata reiterated that the UNHCR is confronted with the obstruction of organized visits, "particularly on the part of the Serb and Croat authorities." She said that eight out of 10 such visits had been obstructed deliberately.

"After six months of peace, and in spite of a general improvement of the situation in Bosnia-Herzegovina, the return of refugees is still more of a promise than a reality. Without a more-dedicated political will of the sides and a firm decision by the international community, the UNHCR cannot succeed," Ogata concluded.

B-H: Ruehe, Bildt Counter Speculation About IFOR Extension

LD1706120996 Berlin DDP/ADN in German 1134 GMT 17 Jun 96

[FBIS Translated Text] Trogir (DDP/ADN)—German Defense Minister Volker Ruehe and Carl Bildt, the international representative for civilian reconstruction in Bosnia, have advised against speculation about a possible extension of the Implementation Force [IFOR] peace force mandate in Bosnia beyond 20 December. Attention will be focused on fulfilling objectives up to the September elections, Ruehe said during a visit to German IFOR units stationed in Trogir near Split today. What happened after the election will depend on the result of the poll, which NATO defense ministers will discuss at the end of September, he said.

Bildt said the main need at the moment is for a continued presence of the international police observers. However, a decision on this has yet to be taken. He said the issue of whether the observers need additional backup will depend on the political situation after the elections.

Nevertheless, he cannot at present envisage a situation requiring further large-scale deployment of international military forces in Bosnia. He said he thinks the overall situation will change fundamentally after the election.

B-H: IFOR Notes Greater Civilian Freedom of Movement

AU1406134996 Paris AFP in English
1321 GMT 14 Jun 96

[FBIS Transcribed Text] Sarajevo, June 14 (AFP)—The NATO peacekeeping force said Friday that significant numbers of civilians were for the first time crossing the boundary line between the two entities in post-war Bosnia in a sign of greater freedom of movement.

Max Marriner, a spokesman for the force known as IFOR, said a study carried out in May concluded that some 30,000 vehicles crossed the inter-entity boundary line [IEBL] between the Moslem-Croat federation and the Bosnian Serb entity in a week.

"Initial assessment suggests that there is significant individual cross-IEBL movement and further that this seems to be relatively even along the more than one thousand kilometres of the IEBL itself," Marriner said.

But the UN refugee agency disputed the conclusions of the study saying the traffic was merely transitory and did not involve large numbers of civilians enjoying greater freedom of movement.

"A lot of this traffic is traffic transit," said UN High Commissioner for Refugees (UNHCR) spokesman Kris Janowski. "It is a traffic that originates in one entity and the destination is another country, or which originates in another country and ends up in one of the entities."

"As far as we know it is not very much an inter-entity traffic," Janowski added.

The notion of civilian freedom of movement across Bosnia-Herzegovina was enshrined at the heart of the Dayton peace accords in a bid to ensure that the former Yugoslav republic did not become partitioned into two separate states.

IFOR has been forced to intervene in several incidents involving Moslem refugees trying to return to former homes in the Serb entity who have encountered hostile resistance from Serb locals.

B-H: RS's Plavsic on IFOR Withdrawal, Karadzic, Elections

AU1806092296 Munich FOCUS in German
17 Jun 96 p 212

[Interview with Serb Republic Vice President Biljana Plavsic by Nigel Rahimpour; place and date not given: "War Inevitable"]

[FBIS Translated Text] [Rahimpour] Do you believe in a permanent peace in the Balkans?

[Plavsic] We are hoping for it, but it does not depend on us. I doubt that our opponents are willing to have peace. The international community must exert pressure on them.

[Rahimpour] Does that mean that you do not trust the Muslims and Croats?

[Plavsic] Our experience and the speeches of Izetbegovic and Silajdzic do not give us any hope for peace. They have uttered abominable things like: Bosnia has to be reunited, or: Women and children need not be afraid, but the security of men cannot be guaranteed. How can we trust them?

[Rahimpour] You used to talk about a U.S.-German-Vatican plot against the Serbs. Do you still see it that way?

[Plavsic] That is quite obvious. Nobody can deny that the world is on our opponents' side. The Muslims and Croats got strong support from abroad from the beginning. We, the Serbs, on the other hand, have been left completely on our own.

[Rahimpour] But you were supported by Serbia.

[Plavsic] What is the help from Serbia compared with the help from the United States, Germany, and the rest of the world?

[Rahimpour] What effects will the withdrawal of the IFOR [Implementation Force] troops have on Bosnia?

[Plavsic] They want to move out in December. Maybe they will prolong their mandate. In any case, the Muslims are to be armed before they go. That will inevitably result in war. We are still capable of defending ourselves. They will not defeat us. Our military has already made all the preparations.

[Rahimpour] Do you not fear that IFOR or units of Serbian President Milosevic will arrest President Karadzic and General Mladic and extradite them to The Hague?

[Plavsic] One thing is for sure: Nobody can arrest them without bloodshed.

[Rahimpour] Why? Because Karadzic has a lot of bodyguards?

[Plavsic] No, because the people are behind them. They do not need any bodyguards. The Serbs are on their side.

[Rahimpour] Does that mean that they will not be extradited by any means?

[Plavsic] No. Not one single Serb. There is no passage in the Dayton agreement that says we must extradite people to The Hague. If the agreement contained such a clause, we would never have signed it. It only speaks of cooperation, which is the responsibility of our courts.

[Rahimpour] Will you allow expelled Muslims and Croats to live in the Serb Republic [RS]?

[Plavsic] We drew borders in Dayton. Borders are meant to separate things. The Dayton borders separate the people in the Federation from the people in the RS. That does not mean that we will not let a couple of Muslims and Croats return. But first of all, we have to take care of the 400,000 Serbian refugees. That is the first priority.

[Rahimpour] Do you want to hold a referendum on the future status of your president?

[Plavsic] Nothing is more democratic than a referendum. The initiative for this comes from the people. The leaders must comply with the people's wishes.

[Rahimpour] That means that Karadzic could run for president again.

[Plavsic] He would have to comply with it. But that wish could be a handicap, because Mr. Bildt is meddling in our affairs.

[Rahimpour] There are hardly any free media in Bosnia. Can the elections be held?

[Plavsic] I assure you that all the preconditions are being met. We are preparing a plan that gives all parties equal media representation.

B-H: Daily Doubts Mladic in Russia, Alleges 'Depression'

AU1806091696 Sarajevo DNEVNI AVAZ in Serbo-Croatian 12 Jun 96 p 6

[Commentary by Djuro Kozar: "Body in Han-Pijesak, Spirit in Belgrade"]

[FBIS Translated Text] The news that the commander of the Serb Republic Army [VRS], General Ratko Mladic, has been hiding in Russia from The Hague warrant of arrest for a fugitive criminal, is juicy, but it does not seem to be possible for several reasons. It relies upon an unchecked source of a part of the Belgrade opposition, and it is more a construct than reality. It is more likely that this criminal, surrounded by his guardsmen, is in his base in Han-Pijesak, where he is figuring out how to trick the IFOR [Implementation Force].

Someone in Belgrade, it seems, is very keen to enable Mladic avoid the departure for The Hague, because if he goes over there, he will, defending himself, whether he wants to or not, have to accuse the others, and the Serbian regime does not like that at all. Therefore, KOS [Counter Intelligence Service] has probably been given the task of taking care to lose all trace of Mladic. The chief of KOS, Lieutenant Gen. Aleksandar Dimitrijevic, thinks that Mladic is still not in danger, and that, for the time being, he is safer in the Serb Republic [RS] than in Belgrade or in Russia.

Monster for War

In the Belgrade General Headquarters of the Army of Yugoslavia, they estimate that the VRS still needs Mladic, because there is a lack of discipline among the officers, as well as desperation. According to some data, it would be fatal if Mladic left his command post now, because as long as he is here, the army dropout rate is not alarming. The Serb officers are afraid of Mladic—both those who have committed crimes and those who have not, knowing that their supreme commander bears grudges, that he is vain, and that he is prepared to take fierce revenge for disobedience.

The VRS General Headquarters has been preparing intensively for the celebration of that army's patron's day, which falls on 28 June, on St. Vitus' Day [Vidovdan]. It is expected that Gen. Mladic will make a speech at one of the celebrations and thus encourage his personnel. For several months, he has not spoken publicly to the Serb army and people, so his St. Vitus' Day speech is anticipated with interest.

Generals like Mladic are disoriented in peacetime. Until the beginning of the conflicts in Croatia, this man from Kalinovica was useless to the JNA [Yugoslav Peoples' Army], so they dumped him in the rear echelons. Until his arrival in Knin, he had been assistant to the commander of the Pristina JNA Corps' rear echelons, who dealt with the soldiers' nourishment, clothing, and health care. When the situation in the Knin Krajina became more critical, someone in the Personnel Department of the JNA General Headquarters remembered that a cruel type like Mladic (then a colonel) would be helpful to the Serb cause in Croatia. There, he did his job for the Serbs and for Belgrade, and he was given what he had dreamt of—he was made a general.

And when the aggression against Bosnia-Herzegovina began, Mladic found himself! Like a maniac, he enjoyed shelling Bosnia-Herzegovina towns and killing civilians. He ordered the "shooting into raw flesh," opened concentration camps, and incited rapes. Only when his daughter committed suicide, having accused her own father of all he was responsible for, Mladic realized that the tragedy of the others can be his own tragedy, too. Since then, he has not been the same. He had been absent for long periods of time, and, although the reasons were kept secret, nevertheless, it has emerged that he occasionally received medical treatment for depression at the VMA [Military Medicine Academy] in Belgrade. The Hague indictment has, it seems, worsened Mladic's mental state, so he, as we have discovered from reliable sources, is keeping himself going with sedatives.

Launching Rumors

Since he has become a potential boarder at the Hague boarding school, Mladic has put his destiny into Milosevic's hands, allowing KOS to give him orders—where he will stay and for how long, what he will say, and how he will behave. When KOS found it appropriate, he was mentioned as a possible advisor to the Greek army or he stated that he would go voluntarily to the Hague, where, assisted by a solicitor from Athens, he would defend his "officer's honor." The KOS workshop also launched the information that the Serb authorities had not allowed him to cross the Drina River on his return and that he spent a long time in Han-Pijesak.

Now, KOS is launching the thesis that Mladic is hiding in Russia, but this time, instead of some papers, the source is the always well-informed Belgrade opposition. It turns out that Draskovic [Serbian Renewal Movement leader], Djindjic [Democratic Party leader], Seselj [Serbian Radical Party leader], and other oppositional politicians are better informed than Milosevic's secret services, but that is also a part of the KOS scenario.

Why would Mladic run to Russia, when the situation there is also not stable and when Boris Yeltsin is rather keen to have U.S. support in the election campaign? If the Russian president really granted asylum to a fugitive from an arrest warrant, then that could only harm him. The Russian Army would not be able to protect Mladic without Yeltsin's approval. It is more likely that Mladic is in Greece—since he had been invited to go to Athens—although there are no indications of this yet.

One thing is sure: Milosevic will try to keep this criminal who is a reliable Belgrade player in Pale. Official Belgrade does not even hide the fact that it supports him and differentiates between him and Karadzic. Recently, Milosevic's media have written that he was "only carrying out orders" and that he cannot be put at the same level as those who signed those orders.

[Box, p 6]

Not Dismissed

Were it true that Gen. Ratko Mladic had left the RS for a long time, than both Belgrade and the Pale leadership would have taken care to find his successor as VRS commander. Nobody in the Serb entity or Belgrade is talking about who could possibly take Mladic's place, which means that he has not been dismissed from his present post.

Otherwise, during his absence, Mladic is being represented by VRS Lt. Gen. Manojlo Milovanovic, who is the chief-of-staff, or Lt. Gen. Milan Gvero, who is acting assistant to the commander. Such representation has only been seen recently.

B-H: Radio Cites AFP, British TV, Croat Radio on Karadzic

AU1806071896 (Clandestine) Krajina Radio in Serbo-Croatian 1000 GMT 14 Jun 96

[FBIS Translated Text] According to AFP, Serb Republic President Radovan Karadzic told British Channel 4 Television that he does not intend to give up his present function in spite of international pressure. President Karadzic said he is not afraid that he will be arrested and extradited to the Hague Tribunal, and added that he is in control of everything and that he is still president, although he has relegated some of his duties to Serb Republic Vice President Biljana Plavsic. Croat Radio reports that, according to AFP, Karadzic said his activities will focus on the Serbian Democratic Party and on enacting laws.

B-H: RS Assembly Chairman Discusses Karadzic, Brcko

AU1706134596 Banja Luka JAVNOST in Serbo-Croatian 1 Jun 96 pp 8-11

[Interview with Momcilo Krajisnik, chairman of the National Assembly of the Serb Republic, by Mirjana Kusmuk; place and date not given: "Someone Else's Will—Misfortune"]

[FBIS Translated Text] [Kusmuk] Mr. Chairman, we will begin this interview with a question regarding the current political situation in the Serb Republic [RS]. Was the replacement of Prime Minister Rajko Kasagic the end of one crisis and the beginning of another, one that will be even greater regarding domestic politics and diplomacy?

[Krajisnik] Perhaps it could be said that Kasagic was in fact a hope for a kind of policy, the goal of which was to undo everything that the nation had gained in this war for the homeland. This hope was shared by some individuals, as well as a part of the international community. Kasagic himself was an object, and not an active participant, although, at one time, he thought he was the main actor in the play. With Kasagic's replacement, the rug was pulled away from under those who thought that they would reintegrate Bosnia-Herzegovina and establish what they did not succeed in doing in Dayton. I am convinced that Kasagic did not mean any harm. He was convinced that he was doing good for his people and for the Serb cause. However, the various actions that were, very wisely, carried out were slowly demolishing the defense mechanism of the party block. This party block wanted to maintain the Serb Republic and its independence, which is a bit limited, and the complete separation from the Muslim-Croat federation. The most direct answer to your question would have to be: The issue is that of the end of one policy due to a very resolute stance by the people and the Assembly. One battle is over, but the diplomatic war continues. It is further be desired that the powers will recover and that new methods of fighting will be found, because they have not given up their goal.

[Kusmuk] The international community obviously assumed there was a split within the leadership of the Serb Republic, when it tried to throw the "Pale nationalists," as their representatives call them, out of the negotiation process. Is this the end of their interference in the internal affairs of the RS?

[Krajisnik] It is very strange that the international community did not deal with some persons until the moment when these persons, in their opinion, became important. That is, until they were a relevant factor for the solution of the crisis. When Gojko Klickovic [RS prime minister] was elected and when Biljana Plavsic [RS vice president] was named as Karadzic's deputy for some functions, an avalanche began, and we were proclaimed hard-line nationalists. This was wrong. Those who are doing so are evaluating the situation incorrectly, believing that they will solve all the problems if they eliminate certain people in the RS. This method was probably used in countries where the leadership did not have the support of the people. I am convinced that it is more difficult for them to find people who support their policy than to succeed in eliminating all those who follow the will of the people. By carrying out such a policy, they are accusing the entire nation. Part of the international community does not understand what the Serbs want and are only following their own interests. If they understood the wishes of the Serbs, they would find another way to solve the problem. They view some things in a very naive way, although they represent serious institutions. We often ascribe too much importance to some individuals, but when they leave here they admit that they are leaving without having understood the Serbs' problem. We are creating a free national country and one of priceless value. This cannot be eliminated by any kind of economic measure, although we are not a crazy nation that does not comprehend that there can be no progress without economic aid.

[Kusmuk] If I have understood you correctly, you say that it could happen that the members of the Serb nation will be proclaimed war criminals, depending on the situation and the evaluations of a part of the international community?

[Krajisnik] They know that attack is the best defense. They will accuse us of moving out the Serbs, of being a genocidal nation, and so on. They often change their stances on purpose. It is certain that an Englishman or a Frenchman is a much greater nationalist than a Serb. From the very beginning, they have been trying to impose an image of nationalism upon us as our fault. Plavsic is a national worker who has, like the entire leadership, joined this fight in order to defend the Serb people, and not to destroy some other nation. We never discriminated against others or hated them. During the war, a lot of evil was done to us by our enemies, and we knew that we had to end the war first and then account for it. They dealt with the Serbs throughout the war and told the Serbs that they were war criminals. We will be judged according to the norms and demands of a part of the international community, and we will be guilty. This part of the international community wants a reintegration of Bosnia-Herzegovina, just like the Muslim leadership, but they did not succeed in getting it through the Dayton agreement. We will all be accused of not cooperating, and we will be found guilty, if we refuse to dance to the tune of the international decisionmakers. Plavsic, or any one of us, will not be able to hold any function unless she follows the policy of the National Assembly, which makes decisions in accordance with the will of the people. The international community must realize that there are a many Plavsics, Karadzics, and Koljevics in the nation. Biljana Plavsic is now being attacked, and they may easily proclaim her a war criminal, because she is "guilty" of living or something like that. She is "guilty" because the Muslims lost Travnik to the Croats. These are all painful statements that form a large dossier on the violation of human rights.

[Kusmuk] Is the giving up of some state duties to Vice President Biljana Plavsic a de facto withdrawal from political life by President Karadzic?

[Krajisnik] There are certain things that the two sides see in their own ways. Some see black, some white. It is obvious that President Karadzic is in the way of certain decisionmakers. He is, in fact, the leader of the Serb people, and it is normal that if they, as they say, want to eliminate the militant leadership, then they have to eliminate him first. It is certain that they would not stop there, but would go on. However, they know that the country would be most deprived of a leader if President Karadzic were replaced. They have accused him of war crimes without any argument or foundation. If we view the matter objectively, then Karadzic cannot be tried as a war criminal without Izetbegovic [president of the Bosnia-Herzegovina Presidency] and Tudjman [Croatian president] being tried first. President Karadzic did not order an ethnic cleansing like Tudjman's cleansing of Krajina. Karadzic did not start a war like Izetbegovic did when he had declared the mobilization against the Serbs. Their goal is to remove Karadzic and thus weaken our political position, the position of the SDS [Serbian Democratic Party], of this leadership, and of President Karadzic himself.

This is what I told Carl Bildt: "You know, President Karadzic is a Montenegrin, and Montenegrins live for 100 years, even after they die." Today, he is more popular among the Serb people than he was two or three months ago. If the people believed that President Karadzic had ordered genocide, then they would not forgive him. The people know that he did not do so and that he has been falsely accused, and the people will not permit Karadzic to be anathematized and replaced. What I can say is that President Karadzic exists, and that, at this time, we should not be caught in a trap and accept the imposed agenda. We do not consider this issue to be important at the moment. President Karadzic is simply the absolutely most popular personality in the Serb nation.

[Kusmuk] The international community, however, continues to insist on President Karadzic's withdrawal. The Assembly has made a decision to take care of this issue with a referendum should the pressure not cease. To what extent is a referendum certain?

[Krajisnik] We would like to cooperate with the international community and are striving to implement the Dayton agreement. However, I can say that part of the international community nevertheless needs to abide by the rules. They need to be told decisively, which is what we have already done, that they must respect the will of the people. Democracy is a great heritage that no one should underestimate. The will of the people is inviolable, and it would be best if the actual situation were established by a referendum. However, I think that a referendum should not be decided upon unless there is a great need. A referendum needs to be held if the people and the state are threatened. As long as a diplomatic method of defense is possible, a referendum should not be held. We have told the international community that if they have a dilemma as to what the people want, we will hold a referendum or hold elections before the elections. In fact, it is clear what the people want, and the international community knows this. They have suggested that we should not hold a referendum. We are prepared to compromise, but only up to the point that it does not threaten the vital interests of the Serb people. That is why the referendum is an open issue and could quickly be realized if the limit of what is possible is crossed. If the limit is crossed, and if the Serb people are faced with no way out, we will certainly respond, and we have a right to so. My advice to our opponents and to those that do not think like us is not to exert pressure upon the Serb people, because they will achieve nothing.

[Kusmuk] The election campaign is starting slowly. What does the ruling party need to do in order to maintain the trust of the people?

[Krajisnik] The people have the right to choose the persons, as well as the parties, in which they have the most trust—trust that they will be able to maintain the heritage of the battle for the homeland in this post-war period. The Serb people want the economic situation to improve, they want somewhere to live, and they want jobs. However, the destruction of the basic goal of the war is something that the people would never be able to forgive.

[Kusmuk] What was the goal?

[Krajisnik] Our basic goal was to get our own free state. We had Yugoslavia, which was a compromise, but we did not feel like second class citizens in Yugoslavia. We have now reached full independence in comparison with the Muslims and the Croats in Bosnia-Herzegovina, perhaps even greater independence than they have, since they live together. We have achieved a high level of independence, far greater than what the federal units in former Yugoslavia had. The people could not forgive anyone for the loss of this sovereignty. This is, therefore, the first political task of the SDS—to continue along the path that will preserve the independence of the Serb people. The fight to preserve the political independence of the RS and the complete separation from the Muslims and Croats continues.

The second task of the SDS is to preserve the unity of the people. The responsibility of any of the other parties today and that of the SDS is certainly not the same. The SDS has to be responsible for the good and the bad, and it is logical that it has successes as well as mistakes. The Muslim SDA [Party of Democratic Action] split long ago, and, in the Cazin Krajina, they had been fighting more against each other than against us. The SDS has been homogeneous and has held the people together, thanks to its politics. That is how it must remain.

The war has brought great social changes. There are people who have lost everything they owned, and there are those who have not. That is why we must first make the refugees, which are in a very difficult situation, equal to the established residents. We must alleviate the unequal distribution that resulted from the war by distributing the property and through privatization, in order to pay our debt to our great heroes, the fighters, their families, the disabled, and the orphans. We must protect those who participated in this war....

The SDS must continue to do everything in order to, in some way, create a political climate in which the people living in their new homes will not feel like second-class citizens. These people need to be integrated into their new environments. If we preserve the state and form a plan for the renewal of economic resources, then I am convinced that we will receive the support of the Serb people. I emphasize the fact that all this will be unimportant if we lose the state.

[Kusmuk] Does this mean that the RS could be threatened militarily?

[Krajisnik] Our republic in certainly threatened, since a number of important decisionmakers want to destroy our state. They want to split our country at Brcko, to move us away from Sarajevo, to take over the eastern part of the state, and we have to prevent that from happening. The freedom of movement is a farce with which they want to achieve their political goal—the integration of Bosnia-Herzegovina.

[Kusmuk] Can a military operation by the Muslims be expected?

[Krajisnik] I will tell you something that might even be tactless [neodmereno] because I am not a military strategist. The Muslims do not have the possibility to do anything in a military manner. They will go to war again if their mentors permit them. I think that the Muslims have no chance of going to war, because they first need to settle matters with the Croats. The best conclusion is, that there will be war if the Muslims' mentors will want it. Small incidents will always occur of course, but that does not mean that there will be a war. All three nations have had enough of war, and they will, in principle, want to deal with some vital problems.

[Kusmuk] Let us return to the elections. Based on the accusations in The Hague, the international community is denying the right of President Karadzic to run in the elections. Will Karadzic run anyway?

[Krajisnik] The election campaign has not started, and when it begins, then a position on this matter will be taken. What I can tell you is that if the international community continues to anathematize President Karadzic, then there is a greater chance that even his political opponents will have him as a candidate. I think that President Karadzic is the most popular personality and that he will absolutely win if he is on the list of candidates. This is a fact that everyone needs to accept.

[Kusmuk] If the SDS chooses you as its candidate, will you agree to be its presidential candidate?

[Krajisnik] I do not like politics, and I do not feel happy in politics. I did not even want to be a delegate, let alone Assembly chairman. The only thing I would like to do is to deal with some auxiliary or staff functions. I would not like to participate in the elections, because what is ahead is a period of political fights, tricks, and plants [podmetanje], and I would not like to participate. The main committee of the SDS will decide on who the party's candidate will be. I am a disciplined soldier of my people, and I will participate gladly if sit will be possible for me to be of assistance.

[Kusmuk] The opposition often explains its disagreement with the work of the top state bodies by mentioning the existence of absolute control over the operations of some ministries, pointing out the existence of so-called parallel centers of power. If the government is the executive body of the Assembly, and it is, how much influence have you had, as the Assembly chairman, on the choice of ministers and the work of individual ministries?

[Krajisnik] I often hear that I play an important role in the leadership, that I control many things, and that many things in the country cannot be done without my knowledge. I, personally, do not feel that way. I am simply doing my job, and my role is such that I will be responsible for everything that is happening. I once explained that it is not all a matter of the Assembly, and that the government and the ministries exist as well. But obviously a number of people are responsible for everything that is going on in this country, because the people are looking up at the leadership and it is responsible for everything. It has often been said that the government is not functioning, that there is no legal state, and so on. The people were more interested in having some of us influence this, and that they, with their authority, will discontinue whatever they do not like. When I saw that I was being held guilty of things that I was not guilty of, I became interested in some things.

A phenomenon in our country, which was well expressed during the war, was that the Assembly was the place in which all political life took place. The personnel policy was taken care of there, the negotiating standpoints were decided on there. It all happened in the Assembly because that was what the times called for. The leadership wanted to make the state totally democratic, and it left all the processes and the decisions to the Assembly. Everything that happened in the country happened in the Assembly, and it is normal that its importance was a bit greater during the war than during peacetime. We realized that the most-acknowledged decisions were exactly those made by the Assembly, and that is how we had made them. That is why the role of Assembly chairman is artificially exaggerated to a degree. According to my nature, I do everything thoroughly, and I leave nothing to chance. This is perhaps the best answer to your provocative question. Such a position incites the feeling that I play an important or decisive role in many matters. What I would like to say is that all the decisions that were made by the inner leadership team were made collectively. President Karadzic contributed especially to such work, he always wanted to consult the others. We all participated to the extent that we wanted, both in personnel policies as well as in other decisions. Normally, President Karadzic had the greatest role. I think that my role was far less important than it is being described. I do not want to change anyone's mind, and, in the end, I will fulfill my duty to the fatherland patriotically and with honor, and it is up to the people and to history to judge it. No one will be able to refute this judgment.

[Kusmuk] One of the current issues in the inner political scene is the issue of the capital city. The new prime minister of the government of the Republic, Gojko Klickovic, has stated that the answer to this question will soon be given by the Assembly. What will the procedure be like, and is the issue of the capital one of the basic issues at this moment?

[Krajisnik] I will begin to answer the question with a small anecdote. A mother had a son who had finished college and was doing his post-graduate examinations. The other son had only finished high school. She said that, if she could, she would like to give two extra years of education to the second son. When you are in the position of Assembly chairman, then every part of the country is equally important and everything is yours. Regarding Banja Luka and Sarajevo, I have been trying to explain why we were fighting for Sarajevo to be the capital. I had no complex regarding this issue because I am from Sarajevo. Sarajevo was the capital, and it was natural that we proclaimed it our capital after war broke out. This was logical, because it is very difficult to take something from someone and to give it to someone else. On the other hand, Sarajevo had been directly endangered throughout the war, and Banja Luka was not. We all fought for Sarajevo, and, thank God, we did not have to fight for Banja Luka. When Banja Luka was endangered, we were all there and fought to keep it. Today, Banja Luka is a winner and Sarajevo a loser. When we were considering the problem, we saw that, by fighting for Sarajevo, we were fighting for the RS, because if the Muslims had gotten the entire city, then they would not have even spoken to us. I do not want to say that Sarajevo created the RS, but it is a fact that it had a great effect in its creation.

We are aware of the fact that, as a town, Banja Luka was discriminated against in the times of socialism. In fact, the issue of the capital was always an open one, but people are impatient and they often raised the issue at the wrong time. This was often mentioned and, in Banja Luka, a climate was created in which it was believed that all the problems would be taken care of if Banja Luka were established as the capital. The current situation is the following—the RS sacrificed the western part of Sarajevo, and Banja Luka has, thank God, been saved. Our country must develop with one administrative, university, and cultural center in the west, and there need to be another such center in the east. We must build such a center, because a child from this part of the country will not go to university in Banja Luka. That is how the country is formed geographically. The Sarajevo Serbs are scattered, and it is our duty to enable them to concentrate in one place and to have a university, as well as a cultural and economic life. If we do not create such a concentration of Serbs here, then the other entity will continue to push us toward the Drina River. Neither center—Sarajevo nor Banja Luka—will be competition for the other, but they will complement one other. There is no reason for envy. We have to put all the positive as well as the negative facts onto the Assembly agenda. We know that Serb Sarajevo is not yet well established. Today, two points are most critical for the survival of the RS—one is Sarajevo, and the other is Brcko. If we are a state-creating nation, then we will do everything to defend these two towns. Trebinje will not have a state without if we do not have Brcko and Sarajevo. Statements saying that the conditions in Banja Luka are better are hasty, and few people think of these aspects. We have to have two administrative centers. We have already moved a large number of state institutions to Banja Luka, which is the only town that prospered during the war, and we have deliberately divided the state fairly.

Regarding Bijeljina as a third center, I think that it will develop by itself both because of its proximity to Belgrade and because of the fact that it is on the crossroads between the eastern and western parts of the Republic. We have to keep in mind the interests of the entire country, and not only our own. The issue of the capital city will be put on the Assembly's agenda, and I think that the decision will be rational. In my opinion, the most-rational decision is for the capital to be in Belgrade in the future. It is the desire of the people to have a united Serb state, and it will be established, if not by this one, then by the future generations.

[Kusmuk] Before the last Assembly session, 20 regional delegates met in Banja Luka. One of their demands at this meeting was for Banja Luka to be the capital city. Is there a possibility of a monolithic assembly regarding this issue, in this case and in general?

[Krajisnik] Throughout the war, there were many attempts to break the monolithic structure of the Assembly. We have been through many difficult times, and this one will also pass. I do not fear for the unity of the assembly. The delegates will really see all the options and arguments and will make the right decision.

[Kusmuk] As you have already said, the issue of the Brcko arbitration is vital for the survival of the RS. In what way will this problem be overcome?

[Krajisnik] First of all, Brcko is not controversial according to the Dayton agreement. We are interested in the area of Brcko and we want to negotiate. We are not satisfied with the 6-km width of the corridor, we want 20 km. This was tacitly agreed on before Dayton. We will put this on the agenda and fight for it. We will not permit anyone to impose issues that we have already agreed are not controversial and that endanger the compactness of the RS territory. We will fight for a 20-km wide corridor, which will not at all be easy. This is because there is a desire to falsify the Dayton agreement and to make a problem out of Brcko, and not the border between the entities in the area of the town. The division of the territory will not be considered.

[Kusmuk] In a few days, the arbiters for Brcko will be named. Who will be the chief arbiter for the RS?

[Krajisnik] We are preparing for this matter in a very qualitative manner. We have a team working on this, and the Assembly will make the final decision on the naming of the arbiter.

[Kusmuk] Can you tell us anything more about the relations between the RS and Serbia, and how do view these relations in the future?

[Krajisnik] The Serb people in the RS must keep its authenticity, as well as that which has already been created and its formed characteristics. I am a supporter of the idea that we need to connect ourselves to Serbia very strongly, and, in the future, to unite the people in a united Serb state. We must never forget that we had received a great deal of support from Serbia and Montenegro. Statesmen are transient, but the people are everlasting. All the differences need to be eliminated, and we need to become a real people, united and free. This is a goal of our people that has lasted for centuries, from the Battle of Kosovo until today. I know there are desires for a kind of special statehood of the RS. This is the "B" possibility, until the time for the unification comes. There are often tendencies for a nation to divide and for a new nation to form out of the part that has broken away. We must not permit this. Let us hope that this war has made the nation of prime importance. The blockade has left its mark, but we have to overcome that. We are often asked why we insist on this if Serbia does not want us. This is not correct. Serbia has a lesser need to unite than we do, but our interest is in unification, and we must do everything to make this happen. Regarding the relations with Serbia and Montenegro, I have to say that we are generally satisfied. The payment transactions are a major issue, as well as the fact that a border does and does not exist. Some smaller political differences need to be overcome. We are sometimes stubborn in order to defend our political independence, because the people in Serbia and Montenegro are more comfortable in their relations with Muslims and Croats. That is because they do not fully understand the problem. We know that every time something that was achieved in Dayton is erased, it means being immersed further in Bosnia-Herzegovina, and we do not want to live with the Muslims and the Croats.

[Kusmuk] You have just returned from a meeting with Serbian President Slobodan Milosevic. What was the topic of this meeting?

[Krajisnik] We spoke about two topics. We consulted one another in the matter of the implementation of the Dayton agreement. Yugoslavia is the guarantor for the implementation, and we believe that we need to hold consultations periodically and to establish a certain strategy. This meeting was a preparation for the meeting that will be held in Geneva on 2 June. We ascertained that there is no reason not to implement the Dayton agreement and that what was agreed upon there must not be endangered.

The second topic concerned the return of certain economic capacities from the Sarajevo area to this area. We spoke about the return of refugees and of the endeavors to build living quarters for them. These are two very important projects, and we will soon work out the details. I can say that this meeting in Belgrade was very useful.

[Kusmuk] And, to end, please say something about the work of the state media. The state media in the RS are criticized for being closed and controlled to too great an extent. Who creates their editing policy and are you satisfied with their work?

[Krajisnik] All those who say this must understand that the journalists are the creators of this state, and that they are doing so according to their own conscience. Bildt cannot understand that our journalists do not work under pressure. Our journalists are free and are aware that they are working on the hard task of defending the country. It is totally incorrect to say the media are being directed by someone. I must say that I am very satisfied with their work. There are exceptions. There are people who, just because nothing is censored, believe that they are right to express their personal opinions, and of course, make mistakes.

[Kusmuk] It is a fact that, all over the world, the media work for the state politics. However, has the media system in the RS been successful in following the state politics and fulfilling its task?

[Krajisnik] From the very moment our media system was created, out of nothing, it was a force that was fully equal with the other side. Our media system was damaged, but we have done a lot. What we need today are more daily newspapers and more money for a better program. But what our media system does, it does patriotically, with honor, through the work of its people.

B-H: Vojvodina SDS Sends Letter of Support to Karadzic

LD1706152496 Belgrade SRNA in Serbo-Croatian 1355 GMT 17 Jun 96

[FBIS Translated Text] Novi Sad, 17 Jun (SRNA)—The coordination committee of the Serb Democratic Party [SDS] in Vojvodina has sent a letter of support to Radovan Karadzic, president of the Serb Republic and SDS chairman, in connection with groundless accusations and unjust efforts by the international players to strip him of his legal and legitimate rights.

"We belong to the Serb people and we share fully your fate; we feel all the accusations against you like a noose around our neck," the letter says.

Recalling that the SDS members in Serbia know well the tolerant and democratic principles on which the party was founded and the way of life it has offered to other ethnic groups in the former common state, the Vojvodina committee says that others rejected the offered friendship and pushed their people and the Serb people into the abyss of war and suffering.

"You, your fellow soldiers, and the Serb people managed to create and preserve the Serb Republic, despite being attacked by a force greater and more perfidious than Hitler's and being abandoned by the mother country," the letter continues.

The committee warns that the enemies of the Serbs are trying "to nail President Karadzic, who did not lose the war, to the pillar of shame in peace time."

"Unfortunately, the countries which are the greatest proponents of democracy deny the Serb people their basic right and freedom of choice," the letter says, and goes on to warn that there can be no just elections without Karadzic standing.

"We refuse to accept and recognize false tribunals and judges who, by persecuting you, wish to destroy the Serb spirit and the Serb people," the letter says.

"The SDS members in Vojvodina support fully the declaration by 24 Serbian intellectuals—by defending you and all Serb soldiers and heroes, they are defending the world from the violence and arrogance of the so-called new world order," the letter of support for President Karadzic ends.

B-H: SPS, JUL Form Coalition, Negotiate Alliance With Dodik

AU1706153996 Belgrade NASA BORBA in Serbo-Croatian 14 Jun 96 p 20

[Report by N.T.: "SPS and JUL in Coalition, Social Democrats Expected, Too"]

[FBIS Translated Text] The Socialist Party [SPS] of the Serb Republic [RS] and the RS Yugoslav Left [JUL] are to run jointly in the elections. This news was confirmed to us yesterday by JULRS spokesman Zeljko Saric. Negotiations with Milorad Dodik are in progress, so it is expected that his Party of Independent Social Democrats, according to Saric, will also join the coalition.

What remains to be agreed upon between the Socialists and the RS JUL are some details: a joint list of candidates and a minimal consensus on a joint platform. The deadline for the submission of joint lists of candidates for the elections is, according to the latest information, 27 June. This coalition, the RS JUL says, is ready to accept new members, so one can expect some smaller political organizations to join them soon. According to NASA BORBA's sources, Milorad Ivosevic, chairman of the RS JUL, and Mico Carevic, chairman of the League of Communists-Movement for Yugoslavia of the Serb Republic, are due in Belgrade today. Zivko Radisic, newly elected chairman of the Socialists of the Serb Republic was in Belgrade yesterday, but according to some reports, it was just a one-day visit. According to Saric, the international organization in charge of the implementation of the elections, the OSCE [Organization for Security and Cooperation in Europe], opened on Tuesday [11 June] the first Serb Republic-based service to provide information to voters, called the Election Informer.

B-H: Experts Say Economic Reconstruction Barely Started

AU0806142396 Paris AFP in English
0318 GMT 8 Jun 96

[By Christine Buhagiar]

[FBIS Transcribed Text] Sarajevo, June 8 (AFP)—Bosnia has made limited progress in efforts to rebuild its devastated economy but Western experts caution that almost all the reconstruction work lies ahead.

According to the experts, the good news is that since the beginning of the year, Croats and Moslems have set up an embryonic unified customs system for the Moslem-Croat Federation—one of the two entities making up Bosnia-Herzegovina. The other is the Serbs' Republika Srpska.

Croats have started to hand over to the Federation some of the customs duties on imports entering their territory. Since the start of the year, the Croats, who during the war proclaimed their own separate republic, have paid about 30 million marks (21 million dollars) in customs revenue to the Federation.

A Croat bank has also been authorised to operate in the Moslem-controlled part of Bosnia.

Serbs and the Moslems are holding talks underway on the cleaning of the gas pipelines which cross their respective territories.

But the experts say, much work lies ahead. Over half the population is unemployed, per capital income has fallen to third-world levels (500 dollars a year) and 80 percent of industry is idle.

According to the World Bank, Gross Domestic Product has fallen by 75 percent since the start of the war. The bank estimates that the cost of repairing production facilities will be about 20 billion dollars.

A Bosnian government official said that everything was having to be done at once. "We must face the challenges of reconstruction, the switch to a market economy and the redefinition of the economic system all at the same time," he said.

The economic structure of the former Yugoslavia no longer reflects current realities in Bosnia. Trade between Federation-controlled areas and those controlled by the Republika Srpska is very difficult, whereas the two areas were closely linked before the war.

Businesses trying to survive find that they are unable to borrow money from banks, which are crippled with debt. Official interest rates have risen to 50 percent.

Problems with wage payments are highlighted by the situation faced by the Bosnian government, which cannot afford to pay retired people or officials. Even the Federation finance minister is not immune.

"I was appointed to the government four months ago, but I have still not received my salary," Minister Drago Bilandzija said.

The World Bank says the population will have to make an "enormous effort" to rebuild the country.

The bank and the International Monetary Fund are advising the authorities on their economic programme. They have to take into account repairs for war damage, the creation of a unified customs system, a single currency, some type of central bank, a privatisation law, a list of business to be privatised—the list goes on.

But no one knows yet what will happen to the great chemical and steel works which supplied the former Yugoslavia. Such factories employed hundreds of thousands of people.

"It remains to be seen whether they correspond with market logic," the finance minister said.

Above all, divisions between the three communities are interfering with decision-making.

Talks about tax, the creation of a central bank and privatisation are in limbo, and interminable discussions are taking place over a new currency.

None of the communities wants to abandon its own money. The Croats want kunas, the Moslems the Bosnian dinar and the Serbs, the Serbian dinar. Only the German mark is accepted everywhere.

A Western diplomat said the problem is not just theoretical.

"Some weeks ago, a Croat tried to pay in kuna in a Moslem-controlled area. He ended up in hospital."

Croatia: Serb Official Views Cooperation With UNTAES

AU1806080896 Beli Manastir Srpski Radio in Serbo-Croatian 1600 GMT 14 Jun 96

[Interview with Vasa Zigic, chairman of the Executive Council of the Beli Manstir Municipal Assembly, by Petko Koprivica, Beli Manastir Television editor; place and date not given—recorded]

[FBIS Translated Excerpt] [Koprivica] The UNTAES [UN Transitional Administration in Eastern Slavonia] peace mission is well under way. The process of demilitarization is in progress as planned. The cooperation with the representatives of the international peace mission is present in all areas of life in the district. Tell us about the cooperation with UNTAES regarding both the political and economic problems.

[Zigic] One could say that our cooperation with UNTAES has been very positive regarding political issues. Three basic documents provide the framework for our cooperation: the Erdut Agreement, Butrus-Ghali's report, and Resolution 1037. Considering the willingness for cooperation of both UNTAES and the district's local authorities—Baranja's local authorities, in this case—I am very satisfied with our cooperation. I think we will expand our cooperation and that we will raise it to an even higher level in the coming days.

As for cooperation on economic issues, I must say it is in keeping with Article 18 of Resolution 1037, which calls on all UN members, as well as on international [word indistinct] institutions, to fulfill their obligations and revitalize and restructure the region, i.e. to rebuild and develop the district's economy. Of course, the fulfillment of those obligations by UN members and international institutions hinges on whether both sides implemented the Erdut Agreement. Based on our meetings with Mr. Klein and his administration and ideas exchanged during those meetings, we drafted and implemented, i.e. submitted to them, a global plan for rebuilding and development of economy and public services in Beli Manastir Municipality, aiming to [passage indistinct].

Furthermore, we submitted to them a plan for rebuilding and developing the (?Klen) railroad, a plan for rebuilding, developing, and reconstructing the dam along the Drava River and Danube River, as well as the plan for repairing and rebuilding of [words indistinct], eighteen buildings on the territory of Baranja and all of its neighborhood communities. Moreover, we paid special attention to the development and rebuilding of small businesses. In addition to plans drafted by the secretariat, we submitted demands, i.e. applications of small businesses. [passage omitted]

[Koprivica] To what extent will the establishment of UNTAES influence and contribute to the rebuilding and development of Baranja's economy?

[Zigic] I believe it will contribute to a more definite revitalization of the district's economy. [passage omitted]

[Koprivica] What were the main traits of the economy of Beli Manastir Municipality in the past period?

[Zigic] [passage omitted]

[Koprivica] Apart from a successful spring sowing, what else, would you say, is a sign of revitalization of the district's economy?

[Zigic] There are many signs of the revitalization of the economy. First of all, I would say that the process of demilitarization—in keeping with the agreement, the resolution, and Butrus-Ghali's report—all our workers, from the private, public, and state sectors, are now demobilized together with the resources that can now be used again. This is a very important moment, in which everyone is turning toward work. The fact is that the war is over. This is time for peace and negotiations, for implementing agreements. In other words, we can now focus on work and our duties.

I hold this to be one of the primary components of our development. With the full involvement of our labor force and the economic potentials, we will raise the level of production in the district. [passage omitted]

[Koprivica] There have been much speculation about the alleged mass exodus of people from the district. Moreover, we are aware of the fact that almost 6,000 refugees from the western parts of Krajina have moved into the district in the past five months. Tell us about the settlement program. What is really going on?

[Zigic] Your question contains a good answer. Since New Year, 5,250 persons have settled and were accommodated in the district; naturally, under Article 7 of the Erdut Agreement—which clearly says that all persons that lived on the territory of the Republic of Croatia have a right to come and settle here. Later on, Articles 8 and 9 restrict and determine their right to compensation and everything else. There has been quite a lot of speculation and disinformation about that. Disinformation is a part of psychological warfare and everything else that has been happening in the district that does not benefit the Serbs nor any other nation living in the district.

It is true that 5,250 people have settled on the territory of Baranja, and the process is continuing because a great number of refugees living in Serbia and Vojvodina want to come to the region, aware that their settlement hinges on the possibility to provide accommodation as well as their integration into economic and other aspects of life. However, people are still very much interested in coming to Baranja and, under the agreement signed in Erdut, we accept the process as such. All the relevant institutions, the reception center, the neighborhood communities, and all the bodies responsible for the accommodation of refugees from the Republic of Croatia are working to that end.

[Koprivica] The Croatian authorities are trying to use the destiny of the local pensioners to suit their political goals, registering pensioners and promising them the payment of pensions in kuna. Could you comment on that?

[Zigic] After a meeting between the Croatian side and the delegation of the Serb district of Eastern Slavonia, Baranja, and Western Srem regarding the issue of pensions, we tried to agree on a model, on a pilot program that would suit both sides in order to enable the payment of pension to all those who earned them in the Republic of Croatia and were paid by the Croatian pension fund. In the past five years, Baranja's pension fund has been paying pensions to all pensioners: to those who received them in 1991, i.e. according to Croatian records, those who retired in the meantime, those who came to the region. They have all been receiving pensions over the past 60 months with certain delay. The pension payments are certainly not enough for all their needs, but the Baranja authorities have been subsidizing the purchase of bread, the payment of electric power, etc. for pensioners.

Regarding attempts to manipulate the program, our approach was a very clear-cut one. We were adamant that the records of the Croatian pension fund and those in the Beli Manastir and Vukovar branches can serve as the basis for determining the number of pensioners in the region. Furthermore, we believe that personal identification papers were sufficient for determining a person's identity, in addition to their old pension stubs for the period of 1991 to 1995. However, I must say that, attempting to realize the pilot program on the territory of the Darda neighborhood community, UNTAES mostly took into account the demands of the Republic of Croatia, even more. International conventions clearly state that every country is obliged to pay pensions to all persons who earned them in that country and that only when it comes to the transfer of pensions from one country to another should the matter be solved through bilateral talks. In other words, under Resolution 1037, Croatia could simply compare our records and use the present identification papers to update the lists. However, the fact remains that their pension fund owes money to their pensioners for the past five years. The pension fund bulletin mentions some 27 pensions, which means that all the countries that were at war had problems paying all their obligations.

Ultimately, the pilot program that began in the neighborhood community was modified, and pensioners were merely registered [passage indistinct]. We believe that is a proper approach, although I doubt the pensions will be paid very soon. The Darda pilot program was meant to be a model for the registering of pensioners in all neighborhood communities in the Serb district of Eastern Slavonia, Baranja, and Western Srem.

Croatia clearly refuses to act on basis of the resolution and wants to pay the pensions in their currency. Considering the situation in the district, I can say that banks active in the district need to be trained to exchange money. We believe that would not be a problem. After all, Croatian national currency could come in handy in commodity exchanges with the Republic of Croatia. [passage omitted]

[Koprivica] The present political and economic situation in Baranja raises many questions. Could you briefly tell us about the immediate tasks of the Executive Council of the Beli Manastir Municipal Assembly?

[Zigic] [passage omitted]

[Koprivica] Mr. Zigic, I thank you for coming to our studio tonight.

[Zigic] Thank you.

Croatia: Hadzic on Aims, Support, Reintegration

AU0506105196 Belgrade INTERVJU in Serbo-Croatian 31 May 96 pp 7-10

[Interview with Goran Hadzic, president of the region of Slavonija and Baranja, by Gordana Jovanovic in Pacetin; date not given: "In the Sun Again"]

[FBIS Translated Excerpt] Goran Hadzic, the president of the region of Slavonija and Baranja, waited for me on the main Pacetin street in a dark blue "Vespa." The only "criminal" who has not been amnestied by the Croatian government has reentered politics "in grand style." He is again negotiating with international mediators in his shrewd Slavonian manner, giving them headaches in the way only he can do this.

Hadzic spoke about his shrewdness himself, but I also heard about it from some foreign diplomats. He says, for example, that he—although he understands English—does not want to answer a question immediately but waits for the translator to translate the question for him, in order to have time to think about his proposal. He says about his diplomatic skills now: "You know, I come from Pacetin. We have a peculiar sense of humor and a sense for contacts with people. I do not know which family member I resemble. For as long as I remember, from the first elementary school grade on, I have always been a leader. I have never shown my power by force, although I trained in karate. I have never been involved in a fight, except once in the army, when I was provoked. I have never ordered that anybody be beaten, let alone killed. During the war, prisoners were happy to see me, since they knew they would be amnestied when I came. Many things were not disclosed to me, since my closest assistants knew my character. Croats cannot believe this even today. I talked with a Croatian journalist some time ago, she was as nice as you are, she came with certain prejudices here, just like you, but when we finished, she almost told me: 'I made a mistake, you are not the man I thought I would meet.'"

Leader From the Shadow

[Jovanovic] You have become the first man in the region of Slavonija and Baranja again. How did your big return to the political scene come about?

[Hadzic] After the election was held in the Republic of Serbian Krajina I was not involved in politics, I did not want to spoil anything. I decided to stay here, to live here, and I was, so to speak, the shadow leader in this region. When the Republic of Serbian Krajina collapsed, both the Assembly and the government were abolished, and late in the summer of 1995, after Knin fell, I proposed that a new parliament be established in the remaining territories of ours [Serbian], that new people be elected, in order to make a more serious impression on the international community. I did not want them to impose people on us who they can manipulate easily. If we had done this right away, we would not have the troubles we are confronted with now. We established the Assembly of this region as late as at the end of April 1996. I was elected president almost unanimously, there were only two or three votes against. Then I proposed the mandatory of the government, Mr. Vojin Stanimirovic, and the Council of the Region was established as well as all political bodies needed to save the remains of the Republic of Serbian Krajina.

[Jovanovic] Did you make a platform at that time, and what will be your attitude in negotiations with the international community and Croatia?

[Hadzic] The Erdut agreement has been signed, and we are not in a situation to change it, not even by a hair's breadth. Not a single point from the Erdut agreement is at stake—neither the opening of the motorway [between Zagreb and Belgrade] nor the demilitarization nor anything else. We have a platform now that has been made by the members of the Communal Assembly of Vukovar about the special status of this region with a high degree of autonomy for the Serbian population. I have not given my official opinion about the platform yet, although I think that it is good. Independent education, alphabet, judicial bodies, and military service for our men in the Croatian Army are proposed. Curkin would say that it will be a state within a state. In the present circumstances, this is very difficult to achieve, however, but everything we are able to do must be done with the aim of achieving these aims. These are the conditions under which we shall remain here.

Croatia, for its part, has given the information that it will "completely control its borders along the Danube by 1 September." We shall see where we shall meet at the negotiating table.

Man Supported by Belgrade

[Jovanovic] You are considered to be supported by Belgrade. How would you comment on it?

[Hadzic] This is a question I have to answer in almost every interview. I shall tell you something special too. Regardless of the fact that I was not a Belgrade favorite for the last election in the Republic of Serbian Krajina, I can—from the present perspective—only be grateful to Belgrade for its lack of support. Belgrade has always been constructive toward us. The only help we received from Serbia was exclusively humanitarian. There were no political directions from Belgrade, since we have always respected the wish of our people, and this has been greeted in Belgrade.

[Jovanovic] Did you explain this to Jacques Klein?

[Hadzic] I have often told Mr. Klein that my grandfather died during the rule of the Independent State of Croatia and that he never lived in the Croatian state. Approximately 750 old inhabitants of Pacetin are living here today, all others are refugees. At the beginning of this century 1,100 people lived in Pacetin—it can, in other words, be claimed that the three wars waged in this century have decimated the population. Authorities have changed, but we have always belonged to Srijem. There was the Austro-Hungarian Monarchy, the Kingdom of Yugoslavia, the Independent Croatian State, the socialist Yugoslavia, but the Serbs have always lived in Pacetin. We shall not kill ourselves if we cannot change certain things now. Tudjman's Croatia has been recognized by the whole world, nobody questions this country in Europe, not even Serbia lately. This means that 150,000 Serbs who live in this region, even if we all had the same opinion, could not change the will of several billion people. The reality is that we have to fit into this framework. We must not allow history to finish with us in this region. The events in Knin can teach the people from this region a lesson.

[Jovanovic] I asked you about contacts with President Milosevic.

[Hadzic] The papers published that I met with President Milosevic only once during my latest mandate.

[Jovanovic] Only once?

[Hadzic] What did you talk about?

[Jovanovic] I asked President Milosevic for protection and help in negotiations with Croatia. We asked him to find a proper solution for the Serbs who live in this region, since I am certain that if relations between Serbia and Croatia normalize, we shall have an easier life, too. My starting point is the logic of our peasants who say: "When shepherds fight, the monkey has to slip out of it; the shepherds should not fight over the monkey." We cannot solve the global Croatian-Serbian conflict here. The only thing 150,000 Serbs could do is to die in a very short period of time. We cannot and there is no need to wage a war against 4 million Croats. It would be even more disastrous if we wanted to leave Serbia behind and tried to achieve something with weapons, which cannot be realistically achieved.

[Jovanovic] Did you get some directions for your work in Slavonija and Baranja from President Milosevic?

[Hadzic] I keep on repeating that President Milosevic has never tried to persuade us to do something we do not want. He has greeted our wish to solve all our conflicts with Croatia in a peaceful way, just as he greeted the Erdut agreement. He promised to support all solutions in line with his peacemaking mission. There is peace now, and I can only express my sorrow that former leaders of the Republic of Serbian Krajina were not more obedient, since if they had acted according to President Milosevic's proposals, they would possess much more now.

Klein Is Raising Money for the Serbs

[Jovanovic] You often have contacts with Mr. Klein. What is he like as a negotiator?

[Hadzic] Mr. Klein is something completely new on our political scene. He has a clear feeling for reality, he comprehends all problems and I like him very much as a negotiator. If other international bodies were somewhat more expeditious, Mr. Klein could certainly secure prosperity for the people in this area more quickly. Mr. Klein is in Brussels at the moment in order to get financial help [for eastern Slavonia]. Bosnia is a priority now, however; they are more popular than us, so that Mr. Klein has additional burdens there. He thinks that we deserve much more publicity. It seems to me that the Balkan peace will be decided on in this region, that—in other words—future relations between Croatia and Serbia will be solved here, and Bosnia will be solved parallel with that; the rhythm will be determined by the West, that is the United States of America.

[Jovanovic] What is Peter Galbraith, the U.S. ambassador to Croatia, like as a negotiator?

[Hadzic] Before the Erdut agreement was signed, we jokingly called Mr. Galbraith spokesman of the Croatian president. Whenever we proposed something, he confidently answered that Croats would not accept it. This means that he knew the attitudes of the Croatian President Tudjman in advance. Since he is now involved in "Irangate" and since many negative things are being spoken about him, I would not like to attack him. I have understanding for his situation and I would like to say something positive about him, too. He is still one of the creators of peace in this area and he has always supported peaceful solutions. It is also certain, however, that I have reproaches about his work since he has almost openly supported the Croatian side since the very beginning of the war.

[Jovanovic] What did actually happen on the Vukovar market during the visit of Madeleine Albright, U.S. ambassador to the UN Security Council?

[Hadzic] She visited the Executive Council of Vukovar at a time when the old generation of politicians ruled there. Instead of visiting something concrete, Mrs. Albright was persuaded by our people to visit the market, where anything could happen, even to an ordinary man. Croatian cameramen provoked an incident, and those things that are already well known happened, food from counters was thrown at her....

I met with Mrs. Albright only once while I was president of the Republic of Serbian Krajina. It was in January 1994, the second voting in the presidential election was not over yet. She came to my cabinet wearing boots, since she had visited the Ovcara mass grave, she was full of mud and very angry, and I could not believe that a man or a woman could have so much hatred in his or her eyes—she looked at me with such intolerance. The obvious opinion of the U.S. representative to the United Nations that the Ovcara mass grave was my fault was wrong, however. I am to blame for it just as little as she is to blame for it, maybe even less, since U.S. influence on conflicts in the former Yugoslavia was much greater than the influence of my own poor self. No one can guarantee to Mrs. Albright that there is anyone in Ovcara, and if there is someone, nobody can say whether the corpses are exclusively Croatian. There were also many Serbs who died in operations around

Vukovar, and Mrs. Albright came to me as a fury, as if it was I who had killed all these people in Ovcara. I had difficulty in calming her.... [passage omitted]

Meeting With Tudjman

[Jovanovic] What are your contacts with Croats like, since you are not amnestied and therefore on the "blacklist" of Croatian politicians, although you are the leader of Eastern Slavonija Serbs?

[Hadzic] I had the opportunity to meet a Croatian delegation and Mr. Vrkic recently. Nobody from the Croatian delegation shook hands with me, which shows their culture as politicians. When we tried to agree who would be in the Serbian negotiating team before I became president, we heard through our intelligence channels that Croatia would accept anybody except me. My assistants concluded: "If you bother them, you must be good for us." This was the logic. I personally feel, however, that I am much more cooperative than I was in 1991, that I have become more flexible. During the war I was once even wrongly accused by Milan Martic, the then minister of police of the Republic of Serbian Krajina, of having contacts with Croats. Later on he excused himself stating: "I had to do it, Goran. You attacked me because of the Medak pocket, so I had to invent something." Before the war I was the chairman of the SDS [Serbian Democratic Party] democratic wing in Slavonija, which supported negotiations with Croatia.

[Jovanovic] Did you meet with Tudjman?

[Hadzic] As a member of our delegation, I even visited Tudjman, and in this function I was beaten in Plitvice, since Croatian policemen accused me of having traces of gunpowder on my hands, and I had not fired a gun for a year before that. They fabricated all possible things: That I admitted having fired a gun, that I wept, and similar nonsense. At that time Croatia was a monster state. I hope that it is not like that any longer, and that the policy of the Croatian government is changing for the better. We did not start the war against the Croatian state, but against the HDZ, the party that openly advocated the Ustasha spirit, but I hope that they are on the way to proper democracy now and that they are easier to cooperate with. I have to admit that we do not trust them yet, but we trust them in any case more than five or six years ago.

Regarding my exemption from amnesty, I can tell you that I am in a way happy about it, although this might sound ridiculous. If Croatia wants to solve problems, the amnesty issue must be solved on a large scale, all Serbs who live in this region have to be granted an amnesty. Selective amnesty does not mean anything. This is as if you amnestied only people with green eyes or those with brown.

[Jovanovic] How is the demilitarization process proceeding in the region of Slavonija and Baranja?

[Hadzic] Very well. We are now in a very difficult situation because the oil fields in Djeletovci are being closed. We do not have oil, so the army does not have fuel for its regular activities, to distribute, for example, food on first front lines. We have realized that weapons are not the guarantor of our safety. It is now up to Yugoslavia and the international community to make us feel safe, taking into consideration both the present relation of powers and future relations in the Croatian Parliament. The Croatian politics is very strange now, some people "are making fire, and others are trying to extinguish it." Susak threatens, and Glavas is inviting people to return. This means that the people who were extremists in 1991 are now ready to make compromises. When Babic and I went for talks to Paris, the Dutch mediator Henry Veinans [name as transliterated] told me in one of the breaks: "You can get everything, but you must accept to live in Croatia." People who supported the special status of Serbs in Croatia, of whom I was one, were called traitors, and "national heroes" were the first to flee to Belgrade. We shall stay here and put up with the situation.

[Jovanovic] Have you met with Babic and Martic since the fall of Knin?

[Hadzic] I have not. We met for the last time after the fall of Western Slavonija, in a session of the Assembly of the Republic of Serbian Krajina. They were already afraid of my political return, but if they had relied on me in Slavonija and Baranja, they would have had an easier approach to the Belgrade policy and they would have achieved more.

[Jovanovic] You said on occasion that all the problems of the Republic of Serbian Krajina have come from the Serbian Republic. Do you still think so?

[Hadzic] I wish the Serbian Republic would fulfill its intentions. Apart from that, I hope that none of its politicians will end up in The Hague. As an inhabitant of the Republic of Serbian Krajina, and its former president, I have to say, however, that the Serbian Republic leadership has never taken our state seriously and that we have always been the "currency for curtailing." A high-level Serbian Republic leader, I do not want to disclose his name, but he will recognize himself, proposed to me as early as in 1993 to exchange Obrovac and Benkovac for some towns in Bosnia. When we made a joint defense plan later on in Banja Luka, they completely forgot about Slavonija, Baranja, and Western Srijem. Can you imagine, we were not present in that plan. In a meeting of both governments, Stevo Bogic, a vice prime minister of the Republic of Serbian Krajina, asked: "Where are Vukovar and Beli Manastir?" The answer from the Serbian Republic was: "Huh? We have forgotten that." But they have never forgotten to come to us for oil and crops. No only those from the Serbian Republic but also those from Knin. When we made graves for the victims of Vukovar, we could not get the stone from Benkovac because it was twice as expensive as the one from Arandjelovac, and not a single trailer-truck of grain from Slavonia was paid. This means that crops and oil belonged to both parts of the Republic of Serbian Krajina, and stone belonged to Benkovac, wood to Lika.... Not a single soldier from Krajina came here, and our soldiers went there in shifts, at times even 3,000 soldiers. [passage omitted]

[Jovanovic] Do you not think that it will come to an exodus of Serbs from this region when Croatia takes on the borders drawn after World War II on 1 September 1996?

[Hadzic] I hope that there will be no significant exodus, but if there is, the international community will have to be blamed for it.

Croatia: Commentary Examines International Image, Diplomacy

AU0406143396 Zagreb GLOBUS in Serbo-Croatian 31 May 96 p 4

[Commentary by Davor Butkovic: "Dr. Tudjman Gave Up the Jasenovac Project!"]

[FBIS Translated Text] Several days before the Presidential Council session at which the international position of Croatia was discussed, GLOBUS talked to a high official of the Ministry of Foreign Affairs and an official from a Western embassy about the real possibility that Croatia could be admitted into the Council of Europe and other international bodies of integration, about what still stands in the way of that admission, and about the improvement of Croatia's international public image.

It is interesting to note that both these people, with whom we talked separately, have the same opinion about the majority of the facts and assessments.

Both the Croatian and the Western diplomat agree that Croatia has not been admitted into the Council of Europe now first of all because of the situation in eastern Slavonia!

The most important European countries and the United States think that any possibility of Croatian military action must be definitely ruled out.

It is interesting that UNTAES [UN Transitional Administration for Eastern Slavonia] officers, as opposed to the more frequent visions that the peaceful reintegration has already started, have precise instructions as to what to do with their units in case of a Croatian offensive.

One Belgian officer said to an Australian diplomat who visited the troops in eastern Slavonia some 10 days ago that until recently it had been thought that Croatia would attack early in July, and that, moreover, UNTAES had been informed about the operational blueprints for that offensive.

Both the diplomats we talked to furthermore agree that Croatia's behavior has been one of the reasons for rejection of the European Parliament's recommendation for admission into the Council of Europe.

The Croatian Foreign Ministry official admits outright: "It is a fact that we have been doing stupid things here." On the other hand, the Western diplomatic official was less direct: "Croatia made a mistake in timing. It was stupid to dissolve the Zagreb Assembly and settle accounts with journalists before all the formalities were over. Had your state leadership had better nerves, had it had the patience to wait another two or three weeks with its repressive and unpopular moves, the Ministerial Council of the Council of Europe would have had no formal excuse to refuse the admission of Croatia. This way, the repressive measures taken by the authorities have only affirmed the conviction of some members of the Ministerial Council that one should wait for the admission of Croatia until the status of eastern Slavonia is resolved, that is, until Europe and the United States are completely sure that there will be no military operations in eastern Slavonia."

President Tudjman's Bad Image

The next essential element in the decision of the Ministerial Council not to admit Croatia into the Council of Europe is also the situation in Bosnia-Herzegovina.

Bosnia-Herzegovina has in this case had a significantly lesser role than eastern Slavonia, but the formal entry of Croatia into international integration is also conditioned by the cooperativeness of Zagreb toward Sarajevo.

Having agreed to the postponement of the elections in Mostar, Zagreb has, even without having asked the Herzegovina Croats (which they have publicly said), demonstrated that cooperativeness.

The Western embassy diplomat, having pointed out that he knew that it was "an entirely undiplomatic statement," said that President Tudjman himself, with respect to his image, had become the obstacle to Croatia's entry into international bodies of integration.

"You see, one of your diplomats, having talked about the precedent that Croatia was not admitted into the Council after the recommendation of the Parliamentary Assembly, which has happened for the first time ever, protested against European ministers who have spent more time discussing British beef than Croatia.

"But that is logical. British beef is a much heavier burden to Europe than Croatia's entry into the Council. It sounds rude, but it is so, as the European diplomats really have no time to discuss in detail, for instance, the real situation in Croatia. They very often make decisions, or at least explain them in public, based upon general ideas about some country and its politicians, as one get from the media.

"And the image of your president in the world media recently is problematically bad, almost as bad as it was at the time of the Croatian-Muslim war in 1993."

The next important problem, having not so much to do with entry into the Council of Europe as with other international bodies of integration, was in the dilpomats' opinion the impatience of Croatian politicians in diplomatic processes.

"Your ministers behave too aggressively. For instance, when Gojko Susak publicly says that Croatia is just facing admission into the Partnership for Peace, even before the formal decision about that has been made, he has in fact removed Croatia from membership in Partnership for Peace!"

The diplomats differ in their assessments of Croatia's possible entry into the Council of Europe.

The Croatian Ministry of Foreign Affairs official thinks there is still a chance that Croatia might become a member of the Council of Europe in June of this year, as the United States, too, could influence that decision.

The United States, during the recent visit of Dr. Mate Granic, clearly listed the elements in Croatia's policy that were unacceptable to Washington (they mentioned the election of the mayor of Zagreb and freedom of the media again, as well as some other problems).

One of those problems—that is, the attempt of President Tudjman to build a memorial center in Jasenovac for all the victims of war and persecution in Croatia—has already been resolved.

President Tudjman has namely secretly promised to give up Jasenovac as a common memorial center for the Croats, Jews, and Serbs killed during the wars of this century.

The Croatian diplomats have been explicitly told in the United States that the Jasenovac memorial center would seriously disturb the international position of Croatia.

Diplomatic Offensive

The official of the Ministry of Foreign Affairs expressed his optimism about an agreement, a compromised solution to the Zagreb crisis, but obviously he was not right.

The foreign diplomatic official is convinced that Croatia cannot be admitted into the Council of Europe before November, because of the formal procedures and because of real political reasons. However, he thinks that the Croatians should not be so impatient to become members of the Council of Europe. He also does not understand why the leading Croatian politicians consider membership in the Council to be the measure of their own success, and why they claim that in the international community there is a conspiracy against Croatia and an attempt to get her back into a Balkan, and not European integration.

The official also claims that the admission of Croatia into the Council of Europe has nothing to do with the candidacy of the FRY, as suggested by some Croatian media.

Clearly, Croatia at the moment, both because of its own undemocratic and politically reckless moves and because of the still unsolved situation in eastern Slavonia and the tensions growing in the Federation of Bosnia-Herzegovina, is in a defensive and powerless diplomatic position.

The unity of the nation against the "evil" international community, which President Tudjman wanted to demonstrate at the Presidential Council session, will not essentially improve that position.

Croatia: Paper Says Muslims Orchestrated Sarajevo Massacre

LD1706162996 Belgrade SRNA in Serbo-Croatian 1523 GMT 17 Jun 96

[FBIS Translated Text] Split, 17 Jun (SRNA)—In its latest issue, the Split-based FERAL TRIBUNE weekly cites high UN officials as saying that Muslim authorities were responsible for the Markale marketplace massacre in Sarajevo on 5 February 1994.

According to the same source, international observers reported that the Serb side had not opened fire on 5 February, while the Muslims fired one shell.

FERAL TRIBUNE also quotes the so-called Zenica Document, written by the "fundamentalist leadership," as warning that the fact that some of the tragedies were used to strengthen Alija Izetbegovic's [Bosnian president] position could now be used against him.

FYROM: Perry Visit Seen Marking New Stage in Ties to U.S.

AU1806102596 Skopje DNEVNIK in Macedonian 15 Jun 96 p 2

[Report by MAKFAX: "New Stage in U.S.-Macedonian Rapprochement"]

[FBIS Translated Text] Washington has managed to persuade official Skopje that it cares for Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], that it cares for Macedonia's stability and future. This week's visit by a four-member delegation of high-ranking U.S. security and defense officials and the top man in U.S. defense, William Perry, confirmed that the United States is willing to "shoulder" Macedonia.

"The United States wants to see Macedonia as part of a Marshall Plan," Perry told the Macedonian Assembly, adding that the real road to such a Europe is NATO's Partnership for Peace [PFP] program.

According to Balkans specialists, Macedonia has done everything its "big friend" has asked it to do. In their opinion, the reward came in the words of the top man in U.S. defense, who acknowledged this state "for supporting the U.S. forces and the forces of the Nordic countries, for succeeding in pushing the Balkans away from the brink of a larger conflict, and for helping the construction of the road of peace and stability in the region."

Diplomatic sources in Skopje say Perry's address to the Macedonian Assembly and his meeting with Kiro Gligorov is a sign of Macedonia's further rapprochement with the United States. They believe that Macedonia should no longer fear that it will be left without protection on its border and that the United States will be the biggest lobbyist on Macedonia's behalf in its efforts to become affiliated with NATO.

The same sources say that these ideas are supported by that part of William Perry's address in which he announced that Macedonia would be the host of the PFP exercise to be held in the fall, which will be based on a scenario for a possible natural disaster. The NATO and PFP member states from the region have been invited to participate in this exercise, which, as Perry said, will enhance Macedonia's chances of entering the alliance.

The architect of the PFP, the tragically killed Joseph Kruzel, has been proclaimed not only a U.S. but also a Macedonian hero, and the center for military training has been named after him. The inauguration ceremony for the center was attended by Perry and his host, Blagoj Handziski, and also by the widow and son of the U.S. peacemaker Joseph Kruzel. The U.S. journalists were able to note down the names "Makedonija" orchestra and the folk song "There Lies Ailing."

FYROM: Granic Attends Opening of Croatian Embassy in Skopje

AU1706160196 Paris AFP in English 1550 GMT 17 Jun 96

[FBIS Transcribed Text] Skopje, June 17 (AFP)—Croatia opened an embassy in the former Yugoslav republic of Macedonia Monday [17 June], almost five years after the two countries established diplomatic ties.

Croatian Foreign Minister Mate Granic presided a ceremony for the opening of the embassy on his first visit to Skopje.

He also met with Macedonian President Kiro Gligorov, Prime Minister Branko Crvenkovski and counterpart Ljubomir Frckovski to discuss bilateral and regional issues.

Macedonia and Croatia recognized each other at the end of 1991, a few months after they broke away from the old Yugoslav federation.

Frckovski and Granic told reporters both countries shared the same objectives of being a part of the European and Atlantic institutions.

Unlike Belgrade, the capital of Serbia and the rump Yugoslavia, which considers itself as the sole heir to the former federation's leadership, Zagreb and Skopje believe that each state of ex-Yugoslavia should get an equal share of the pie.

The Croatian minister said his country was "prepared to normalise relations with Belgrade on the basis of mutual recognition."

During the opening ceremony Macedonian journalists handed Granic a petition protesting against the trial in Zagreb of two journalists for the Croatian satirical newspaper FERAL TRIBUNE, who are accused of "slander and insult" towards Croatia's President Franjo Tudjman.

FYROM: Frckovski, Granic Discuss Yugoslav Successor States

LD1706173596 Belgrade TANJUG in English 1715 GMT 17 Jun 96

["Pool" item]

[FBIS Transcribed Text] Skopje, June 17 (TANJUG)—Macedonian Foreign Minister Ljubomir Frckovski and his Croatian counterpart Mate Granic said Monday their states held similar positions on the issue of successor states of the former Yugoslavia.

Granic told a news conference in Skopje that both states were committed to a resolution of the succession issue on the basis of the conclusions made by Badinter's Commission, and to the position that all former Yugoslav republics had equal succession rights.

The commission, named after French lawyer Badinter who was its head, has concluded that the former Yugoslavia has disintegrated.

The Federal Republic of Yugoslavia (Serbia/Montenegro) disagrees with the commission and has repeatedly stressed that Slovenia, Croatia and Bosnia-Herzegovina have forcibly and Macedonia [FYROM—Former Yugoslav Republic of Macedonia] peacefully seceded from the former Yugoslavia and that it itself ensures the continuity of the former Yugoslavia.

Granic said Croatia was prepared to cooperate with all states in the region, which he said included the normalisation of relations with Belgrade provided that an agreement on the protection of minorities be signed and that no conditions be set for it.

Yugoslavia also wants to normalise relations with all former Yugoslav republics and, as regards Croatia, calls for the resolution of the issue of the south Adriatic promontory of Prevlaka, situated at the mouth of Yugoslavia's Boka Kotorska Gulf.

Instead of being asked any questions, Granic was given a petition signed by about 40 Macedonian journalists calling for the protection of professional and human rights of their Croatian colleagues who are being tried in Zagreb for defamation of President Franjo Tudjman.

Viktor Ivancic, editor-in-chief of the Split weekly FERAL TRIBUNE, one of the few independent papers in Croatia, and Mario Culic, a journalist, are being tried for criticising Tudjman's plan to rebury the remains of Croatian fascists ustasha near their victims at Jasenovac, the site of the World War II death camp where more than 700,000 Serbs, Jews, Gypsies and Croatian anti-fascists had perished.

FYROM: Draft Law on Territorial Division Discussed

AU1406174396 Skopje MIC in English 14 Jun 96

[FBIS Transcribed Text] The general debate over the draft-law on territorial division in the Macedonian [The Former Yugoslav Republic of Macedonia—FYROM] Assembly has ended. The representatives of PDP [Party for Democratic Propserity] and PDPA-NDP [Party for Democratic Prosperity of Albanians-People's Democratic Party] feel the draft-law has been politicized. The proposal does not respect the will of the citizens and disregards the decrees of the law on local self-government for forming municipalities, the representatives noted at yesterday's session.

Rufi Osmani from PDPA-NDP emphasized that the division in western Macedonia is aimed at decomposing the Albanians in the cities, that is dividing the Albanians in ghettos in the rural municipalities, whereby they will be discriminated against at all levels and in all instances. Osmani said that the Minister of Justice Popovski can use the brochure of the local community of Bogdanci as a sample which expertly and professionally explains the need for a municipality. The division denies the aims of the law, the suburban areas and villages will be ghettoized in the economic poverty, the government will be centralized, and the rural municipalities will in the background.

Sali Ramadani from PDPA-NDP feels that this division has no constitutional, legal or scientific basis, but only a political one. In his opinion, this proposal is a product of the cabinet of the bureaucracy and as such, it should be finalized by foreign experts and it should be submitted to the Assembly in six months. Mevljan Tairi from PDP suggested that the political motives be eliminated in order to maintain the ethnic balance, and to establish a second-level of local self-government.

According to Tomislav Stojanovski from DPM [Democratic Party of Macedonia], the concern for municipalities in which the Macedonian population is in the majority is symptomatic, which according to him is normal, as this is a Macedonian state.

The Liberals asked the proposer to explain how the municipalities which cannot fund themselves will be financed. Panco Minov said that the units of local self-government should not be allowed to be over-dependent on the state, and that the functions of the municipalities should not be devalued.

The representatives of SDSM [Social Democratic Alliance of Macedonia] mainly supported the proposal. Their remarks applied mainly to the wrong names of some inhabited places, non-existent inhabited places, the requests of the citizens to remain in the old municipalities or to enter new ones, as well as the failure to fulfill some of the terms for the formation of municipalities prescribed by the law on local self-government.

The next parliamentary session will be additionally scheduled.

Poland: Reactions to Russian Presidential Election

WS1806111596

[FBIS Report] On 18 June, Warsaw GAZETA WYBORCZA in Polish, a widely read center-left daily, carries a report and an editorial commentary on the Russian presidential elections.

On the front page is a 250-word commentary by Chief Editor Adam Michnik entitled "Russia Split in Half." "It is a reason for joy," writes Michnik, "to see that democratic mechanisms are taking root in Russia. One cannot help feeling distraught, however, by the feebleness of Russia's democratic parties. What will prove stronger—antidemocratic traditions or democratic procedures? Will democratic institutions civilize populists and Bolsheviks, or will the populists and Bolsheviks barbarize the institutions of the democratic state? Will there be a second round? Who will win it? Will the defeated candidate respect the verdict of the majority? Regardless of who wins, he will have half of Russia against him. And he will have to work out compromises with that half. Perhaps this is where the greatest chance for Russian democracy lies."

On page two is a 1,000-word report signed "AN,DOM,PAP" on the reactions of Polish and Russian politicians. All were asked the same question, contained in the title "Question of the Day: What Do the Results of the First Round of the Russian Presidential Elections Imply?" Yegor Gaydar, head of the democratic Russia's Choice party, is quoted as saying: "I am quite satisfied with the results of the elections. They are roughly what I expected them to be, perhaps even slightly better. Yeltsin's 3-percent lead is better than one might have anticipated." He goes on to say that "the most important thing now is how much Boris Yeltsin's constituency will grow."

Janusz Dobrosz, spokesman of the Polish Peasant Party, says: "Yeltsin is more predictable. We do not know, however, what type of policies Zyuganov will implement if he becomes president. Zyuganov once said in public that Poland can be treated as a regional superpower. We cannot presuppose he is ill-disposed toward Poland." Krzysztof Krol, a deputy from the Confederation for an Independent Poland, says: "Zyuganov stands a strong chance of winning. That would be a very dark scenario for Poland, with one exception: It might accelerate our entry into NATO in the short term."

Poland: Defense Minister Meets Perry, Discusses PFP, NATO

WS1706131396 Warsaw TRYBUNA in Polish 15-16 Jun 96 p 5

[Report by PAP: "NATO's Meeting With 'Partners'; Dobrzanski Is an Optimist..."]

[FBIS Translated Text] Brussels (PAP). *On 14 June in Brussels, U.S. Secretary of Defense William Perry and his colleagues from six NATO states met with the defense ministers of the 15 most active countries taking part in the Partnership for Peace [PFP] program, including Poland.*

"It was the first of the multilateral and bilateral meetings with the participation of defense ministers or their representatives from the 16 NATO states and the 26 partner countries. Primarily, we talked about the experiences that come from the partnership, as well as about participation in IFOR [Implementation Force]," National Defense Minister Stanislaw Dobrzanski said after the meeting. "I submitted several motions in which I mainly asked that our participation be increased in expert analysis of the lessons learned from the PFP and from participation in IFOR. I also spoke about the necessity of creating certain standards for the operation of peacekeeping troops—logistic and other—which would be uniform for all partner states. Among the issues we discussed was also providing more diverse exercises to prepare forces that are to take part in peacekeeping missions."

The Polish minister also admitted that "it may take a long time" to reform NATO. He added that it seems to him that these differences are not so great that they will affect Poland's entry into NATO. Minister Dobrzanski has noticed more and more sympathy toward Poland's aspirations; he added that he is optimistic.

During his meeting with William Perry, Minister Dobrzanski was promised that Poland would receive financial assistance to establish two joint peacekeeping battalions with Lithuania and Ukraine. During a meeting with [British] Defense Secretary Michael Portillo, Dobrzanski spoke about the secretary's visit to Poland, which is scheduled for Tuesday [18 June], as well as about an agreement that is to be signed allowing the British to use the military training ground in Drawsko.

Poland: Rosati, German Counterpart on Europe's Future

WS1806073596 Warsaw RZECZPOSPOLITA in Polish 15-16 Jun 96 p 6

[Article by Polish Foreign Minister Dariusz Rosati and German Foreign Minister Klaus Kinkel, published simultaneously in RZECZPOSPOLITA and FRANKFURTER ALLGEMEINE: "To Shape Europe Together"]

[FBIS Translated Text] *Poland and Germany, together with France, are working for the future of Europe, for a common future in the EU. The general conditions have already been determined, and the first stages have already been specified. Friendly relations between Poland and Germany are of key importance to the new Europe we are building along with our partners.*

The obviousness of our words today shows clearly what a long way we have traveled from the moment when Poland regained freedom and Germany was able to unite. It shows how much more trust we have in each other now.

Partnership helps overcome old prejudices and emotions. Joint actions, common work, and the normalcy of the everyday and active exchange in trade, culture, and contacts among individual people show us future directions.

Thus, we are fully entitled to be proud of what we have jointly attained and built over the five years since 17 June 1991—that is, the day when our Treaty on Good-Neighborly Relations and Friendly Cooperation was signed.

There were fears that the question of the enormity of the crimes and wrongs that resulted from the German Nazi dictatorship, including the fact that many Poles and Germans had to leave their hometowns, would remain as an insurmountable obstacle between us. Meanwhile, it turned out that memories of the painful historical events do not necessarily have to make it impossible to reach agreements. The participation of Federal President Roman Herzog in the events commemorating the 50th anniversary of the Warsaw Uprising and the participation of [former] Foreign Affairs Minister Wladyslaw Bartoszewski in the celebration of the 50th anniversary of ending World War II in the German Bundestag were moving moments.

Polish-German understanding and reconciliation is a considerable contribution to the maintenance of peace in Europe. Last year we granted the Viadrina European University in Franfurt on the Oder and the Collegium Polonicum in Slubice, which was established in cooperation with the Adam Mickiewicz University in Poznan, an award for making special contributions to the development of Polish-German relations. Viadrina University symbolizes a new quality in our mutual relations: The basic principle that young people should adhere to should be joint education and joint action. The Polish-German Cooperation Among Young People organization has also been established to serve this cause. Hundreds of projects all over Poland that are supported by the Foundation of Polish-German cooperation prove that joint actions taken by citizens of both our states are a fact. If we want to create a "Europe of Citizens"—and, after all, this is what we want—then it must be said that projects implemented jointly by citizens, gminas [small administrative units], and regions, especially the fact that they are not infrequent, are of fundamental importance.

We want to shape Europe together. Along with France, we are working to achieve stabilization; we are doing this by developing neighborly ties among our three countries, ties that are tight, friendly, and characterized by mutual trust. We started this cooperation five years ago in Weimar. Understanding within the Weimar Triangle involves agreement on the fundamental issues among Germany, France, and Poland. This is a stimulus for the further development of Europe, a Europe for all European nations.

We want a Europe that is strong, efficient, and capable of taking action. The Copenhagen criteria regarding EU expansion assign tasks for both sides—the EU and the countries that want to join it. Everyone is facing the challenge of large-scale structural adjustment. The EU Intergovernment Conference is the first significant step toward a new Europe. One of the EU's tasks is creating conditions to prepare Poland and other associated countries of Central and East Europe to join a well-organized, solidarity-like, and flexible EU.

We want a stable Europe. We believe that NATO will be the key element of the future Euro-Atlantic security architecture. The alliance has prevented and still prevents the renationalization of security policies in Europe. Openness of the alliance to Poland and other countries will serve stability in Europe. We are stating that the process of opening the alliance is taking place according to schedule.

We want a Europe without new dividing lines. No one should want to create twilight zones or to revive old antagonistic models of behavior. This does not serve anyone. We do not want anyone to be excluded. Also, no one must be deprived of his right to join the alliance of his own free will. Both Poland and Germany want constructive cooperation with our eastern partners, and they support the proposal of partnership in the area of security between NATO on the one hand and Russia and Ukraine on the other. We believe that the most important thing in the area of security policies in Europe is the network of institutions that would support each other. For this reason, our goal must be to ensure further development of the Conference on Security and

Cooperation in Europe as an effective, all-European security forum.

These are ambitious goals. At the same time, we must be careful to prevent a conflict between these goals. We stand a chance of creating political stability and economic prosperity. If we fail to do this, there will be the danger of general stagnation and frustration. For the first time in history, we stand a chance of reinforcing democracy, pluralism, and the market economy, which means strengthening stability, peace, and well-being in all of Europe. Guarantees only on paper will be insufficient. The real security guarantees stem from the spirit of commonality of values, commonality of interests, and commonality of histories.

On their road toward integration, the fledgling European democracies must themselves carry the main burden of transformations and reforms. Poland is doing this and is determinedly continuing its reforms. The direction of reforms is also the European direction. Success of the transformations also depends on whether people personally notice the advantages of a market economy. Thus, Poland needs even more investments. Meanwhile, the capital that it needs cannot come exclusively from Poland. As Poland's most important trading partner and one of the biggest foreign investors, Germany is making contributions to the fact that Poland is able to develop dynamically. In this area, there are still more possibilities of taking further action. Poland's admission to the OECD, which is to happen before too long, and the consequent adjustment of our regulations are other important steps toward making investments in Poland more attractive.

It is often forgotten that Germany's exports to Central and East Europe are equal to the country's exports to the United States. Poland is Germany's biggest trading partner among those countries. The fast and steady increase in trade turnover with Poland helps keep the German economy in good condition. Thus, once more history has shown that the openness of borders to the movement of goods and services is conducive to integration and contributes to creating the foundations of prosperity in entire Europe.

A solid foundation of European integration is the large network of contacts among nations. Both our governments set a good example in this area by holding regular and very frequent consultations.

The armed forces remain in close contact. Joint maneuvers are carried out. Large-scale exchange projects in the area of culture, science, and education, not constrained by the limitations of the previous system, have created great possibilities for mutual understanding. Only those who know and value the spiritual and cultural achievements of other nations are not in danger of relapsing into ideological blindness. Among those who have benefited from this are the Polonia community in Germany and the German minority in Poland, groups that are part of the ties tat link us.

Our capital cities, Warsaw and Berlin, are partner cities, just like many other towns and cities in our countries. The German lands and Polish voivodships maintain close contacts. Alongside the Odra and Nysa Rivers, Euroregions have been established that are instrumental in implementing joint projects in the border areas and in overcoming barriers in people's minds. The joint statement by German lands and Polish voivodships that are close to the border shows the right road. This is how our treaty on good-neighborly relations should be implemented. The same goes for the pioneer work that involves preparation of a joint German-Polish study on land-use management, approved by our governments last fall.

Also in this area we must do more to make the border less of an obstacle and not burden our mutual contacts with the barrier of allegedly unending lines at border-crossing sites. Europe also means to be able to get to know and "experience" one's neighbor.

The treaty on good-neighborly relations is not only a solid foundation, but also a constant challenge and an encouragement to be more active in political activities. The issue here is ourselves, our good-neighborly relations. Therefore, it is our duty to set ourselves ambitious goals.

Poland: UOP Fires 4 Top Officers for Role in Spy Case

LD1706181496 Warsaw Polskie Radio First Program Network in Polish 1700 GMT 17 Jun 96

[FBIS Translated Text] General Marian Zacharski, who has been dismissed from the post of adviser to the head of the State Protection Office [UOP] for irregularities in the investigation into the case of [former Prime Minister] Jozef Oleksy's alleged spying activities, will definitely leave UOP on 1 July. We received this information from Maria Boral of the UOP press office.

Together with General Zacharski, three other officers involved in the preparation of the evidence in the former prime minister's case, Generals Bogdan Libera and Wiktor Fonfara and Captain Wojciech Dylewski will also leave UOP. Maria Boral said that the three officers were leaving at their own request.

Zacharski, Libera, and Fonfara were on leave during the period when the internal UOP commission was investigating the correctness of the investigation into the so-called Oleksy case.

[Boral] Their reports, sent to Colonel Andrzej Kapkowski, [the newly appointed] UOP head, were accepted and, consequently, from 1 July their UOP employment will cease. The four officers were suspended after 27 May but still remained employees of UOP. As of 1 July, they cease to be employees of UOP.

Poland: Associates of Former PM Oleksy Examined

WS1706133196 Poznan WPROST in Polish 16 Jun 96 pp 23-24

[Article by Joanna Kluzik and Aleksandra Zawlocka: "Oleksy's People; Why Did Jozef Oleksy Seek His Closest Associates in the Complex World of Secret Services?"]

[FBIS Translated Text] *A statement by Prime Minister Cimoszewicz suggesting that Andrzej Anklewicz is the superspy O, who acts on behalf and with the knowledge of the authorities of the Polish Republic, solves the whole problem of treason: It shoves to the side the indictment of Jozef Oleksy and asserts that Olin is in fact a Polish patriot. Incidentally, in the so-called Oleksy case, there emerge more of his aides, people whose roles have been, at the least, enigmatic.*

The Office of State Protection [UOP] was informed by Russian sources that Olin cooperated with a person who had access to information from the Ministry of Internal Affairs [MSW] under Ministers Kozlowski, Macierewicz, and Milczanowski. One of the arguments advanced to call into question the assumption that O was in fact Jozef Oleksy was the conviction that he could not have been trusted by the ministry, at least in the days of Antoni Macierewicz. One of his confidants was Andrzej Anklewicz, deputy director of the group responsible for providing services for consecutive ministers.

Anklewicz had been an active member of the Socialist Union of Polish University Students [SZSP] and the head of the student party organization at the Warsaw University Department of Journalism and Political Studies. However, he soon quit his research career and joined the Security Service [SB]. He worked for Third Department, which handled the opposition. In 1982 he was delegated to provide services to the internal affairs minister. The subsequent Solidarity heads of the MSW kept Anklewicz by their side, in appreciation of his knowledge of the ministry. To Milczanowski, he became reliable after his contribution to the case of Russian spy Marek Zielinski.

Anklewicz's appointment to the post of Prime Minister Oleksy's chief adviser was a surprise. It could only be conjectured whether Anklewicz was to ensure Jozef Oleksy control over the secret services, or whether the secret services were to control the prime minister. Today Andrzej Anklewicz would be a triple spy: a Polish agent working for the Russians for the benefit of Polish intelligence. Andrzej Milczanowski cannot imagine the MSW heads overlooking a person who works for Poland, while his superiors know nothing about it and chase him as the Russian agent Olin.

Employees of the Office of the Council of Ministers [URM] remember that Prime Minister Oleksy considered Anklewicz irreplaceable, but he was not the only one. Of no less importance was Andrzej Macenowicz, head of Oleksy's cabinet when he was parliament speaker and prime minister. Macenowicz and Oleksy are the same age. Macenowicz had been head office secretary of the Union of Socialist Polish Youth [ZSMP]. Those were the days when he met his future boss, the then active member of the Young Research Workers Movement.

Macenowicz finished the Krakow Agricultural College and was afterwards sent to a school of diplomacy, according to his official resume. It does not mention, however, that it was a two-year course at the Moscow Academy of Diplomacy. He soon became adviser to the foreign minister, and, later, as a UN employee in Africa, he helped the starving Ethiopians. The next stage in his diplomatic career was the post of first secretary of the Polish Embassy in the Netherlands. A high-ranking former MSW official claims that he was a military intelligence officer at that time. Today he is a frequent guest in the Military Information Services [WSI] building. His name was entered in the visitors register many times. He is a friend of Commander Glowacki, the present head of the WSI. He is said to have been in contact with General Bula, who was in charge of the WSI predecessor—the Internal Military Service [WSW]—until 1989 and today is accused of deliberate destruction of intelligence documents.

Under the Solidarity government, Macenowicz dealt with rural universities and, ironically, made himself famous for a while after a foray into the Rozalin manor. The building had been taken away from the family of Krystyna Krysowska in 1949. In 1993 the minister of agriculture acknowledged that the estate had been annexed by force. On the day the property was to return to its owner, Andrzej Macenowicz, the director of SPUL [expansion unknown], barricaded himself in Rozalin together with a group of security guards. The owner mobilized 20 other security guards and won the battle with Macenowicz.

In Oleksy's cabinet, Andrzej Macenowicz was irreplaceable. He was remembered as a reliable envoy. He often relieved the parliament speaker and prime minister of inconvenient contacts. He is supposed to have called Alganov to remind him that his contacts with Jozef Oleksy as parliament speaker were inappropriate. He is the other—apart from Waclaw Skoczylas—witness on whose statements prosecutor Gorzkiewicz based his decision to discontinue the Oleksy case investigation. Today Andrzej Macenowicz is under secretary of state in URM. He holds the post of Defense Committee secretary.

It is no wonder that Oleksy's defense witnesses and Olin II [as published] are people from his environment. It is astounding that Jozef Oleksy sought his closest associates in the complex world of secret services.

Poland: High-Level Officials Implicated in Scandal

96EP0062A Krakow CZAS KRAKOWSKI in Polish 21 Apr 96 p 4

[Article by A.Z.: "Bagsik's People, Kwasniewski's People"]

[FBIS Translated Text] The $37 million enabling Bagsik and Gasiarowski to wheel and deal on a big scale originated from the coffers of the PZPR Central Committee, according to Monday's edition of ZYCIE WARSZAWY, which referred to a secret bank report of 1991. That newspaper got hold of documents from which it ensues that individuals belonging to the power elite of the former PZPR had worked for Art-B, including politicians linked to President Aleksander Kwasniewski, such as Marek Siwiec, currently a minister at the Presidential Chancellery, and Jerzy Dziewulski, who is in charge of Kwasniewski's bodyguards.

$37 Million for a Beginning

Rapid transfers of huge funds from one bank to another enabled Art-B to amass huge profits. In 1990 the Polish banking system had not been computerized, so information on bank deposits and withdrawals was relayed among banks with considerable delays. Bagsik and Gasiorowski earned high interest rates by quickly transferring their deposits from one bank to another. The operation of this mechanism, baptized the "oscillator" by the media, appears simple. But in order for it to yield millions in profits, correspondingly large funds had to be deposited in banks. A question that had until recently remained unanswered was, where did Art-B derive the funds it needed to launch the "oscillator"?

A report by banking services, on which the NBP [National Bank of Poland] is now withholding comment, describes in detail, according to ZYCIE WARSZAWY, the route traveled by $37 million from bank to bank in order to ultimately end up in the account of Art-B. The unnamed high government official who made this entire operation possible received $50,000 monthly from the gang.

Genesis: PZPR Central Committee

The financial manager of Art-B was [illegible] Adamczyk, the same man who had, according to a January issue of the weekly WPROST, while an employee of the PZPR [Polish United Workers Party (the communist party until its demise in 1990)] Central Committee's Foreign Department, signed instructions for opening accounts in Western banks. Subsequently these accounts were utilized for depositing PZPR funds taken out of the country. Adamczyk assisted in transferring Art-B's money to Israel, and he subsequently moved to that country together with Bagsik and Gasiorowski.

The list of persons originating from the communist power elite who had worked for Art-B is long. Bagsik's chief assistant was Miroslaw Dackiewicz of the PZPR Central Committee's Media Department. The general manager of Art-B, Jacek Wedrychowski, reputed to be the number-three man there, had previously worked for Interpress, where he controlled foreign journalists; the director of the company's foreign department was Daniel Wasilewski, formerly of the Central Committee's Media Department; and the director of the department of food industry was Ryszard Mazur, formerly a deputy minister of agriculture. Confidential missions were entrusted to two former SB [Security Service] employees, Jozef Winiarski, once of the SB's Section IV ["Religious Denominations"] in Cieszyn, and Andrzej Szukalski, once of the Passport Office of the Ministry of Internal Affairs in Wroclaw. Both had the task of transferring checks from one bank to another as part of the "oscillator."

With Sekula and Hermaszewski

According to ZYCIE WARSZAWY the concierges at the company's former office at 80 Wspolna Street in Warsaw remember well Ireneusz Sekula, who, they said, used to visit both of the company's bosses several times a week. He and Bagsik called each other by their first names. Art-B's consultant on arms trade was General Edwin Rozlubirski, who in the opinion of many employees was the clandestine director of the company's defense department. He handled the unsuccessful transaction of selling tanks to Iran. During an assault by the UOP [Office for State Protection] against the palace at Pecice housing the bosses, Rozlubirski was armed when detained. Another acquaintance of Bagsik and

Gasiorowski was Miroslaw Hermaszewski, who placed them in contact with a couple of Soviet generals through whose mediation Art-B wanted to import old tanks and sell them for scrap metal in the West.

Kwasniewski's People

The current minister at Kwasniewski's Chancellery and his senior adviser, Marek Siwiec, used to work as the media spokesman of Art-B and editor in chief of the still-born MONITOR. For a time he held the post of general manager. He was in charge of Bagsik's and Gasiarowski's campaigns for election to the Senate. Siwiec himself stood for election to the Sejm from Kalisz in 1991. "His campaign was," according to one of the informants of ZYCIE WARSZAWY, "financed by Art-B and supported by Kwasniewski and Sierakowska."

Jerzy Dziewulski, commander of President Kwasniewski's bodyguards, SLD [leftist Democratic Left Alliance] Sejm deputy, and deputy chairman of the Sejm Committee for Internal Affairs, was responsible for security at Art-B. Before he assumed that post, he had been commander of the antiterrorist brigade at Okecie Airport. At the palace in Pecice the UOP uncovered files on Major Diewulski. His brigade at Okecie had received from Art-B 15 cars for testing. It is said that Dziewulski once rescued Bagsik and Gasiorowski from an assault on them organized by a Middle Eastern country. Dziewulski's wife, currently the head of a private company, in 1990 used to receive a monthly consulting fee of 10 million old zlotys from Art-B. Dziewulski himself claims that he had no dealings with Art-B and that he had merely borrowed from Bagsik 700 million old zlotys that he needed to pay for the treatment of his jaundice.

An incumbent senator, Aleksander Gawronik, became the chairman of Art-B after its owners absconded from this country. A judicial expert investigating Art-B documents claims that, on the instruction of its board of governors, a dozen of so huge checks had been issued. These checks have never been accounted for, and one of them was cashed by Gawronik.

Poland: Government Coalition Split by Motion Against Minister

LD1706152296 Warsaw Polskie Radio First Program Network in Polish 1400 GMT 17 Jun 96

[FBIS Translated Text] Leszek Miller, head of the Council of Ministers Office, said that the fact that some of the deputies from the Polish Peasant Party [PSL] signed their names to the motion demanding the dismissal of Privatization Minister Wieslaw Kaczmarek may cause the disintegration of the government coalition. Leszek Miller did not rule out that similar measures may be taken by the Democratic Left Alliance [SLD] against its coalition partner:

[Begin Miller recording] Some of the coalition deputies are opposed to a minister in the coalition. I condemn such an action in this context. Let me point out that, so far, the SLD has never gotten involved in any actions against any minister from the PSL. However, if such a thing occurs again, I cannot promise that the SLD will not take similar steps against some PSL minister. I am also convinced that, when the SLD does it, the action will be effective. [end recording]

Poland: Solidarity, ROP To Sign Election Pact

LD1806102396 Warsaw Polskie Radio First Program Network in Polish 0500 GMT 18 Jun 96

[FBIS Translated Text] Jan Olszewski, leader of the Movement for the Reconstruction of Poland [ROP], met Marian Krzaklewski, head of the Solidarity trade union, in Warsaw last evening. Union spokesman Piotr Zak said that, over the coming few days and at the latest during the Solidarity congress on 26 June, an agreement will be signed on a joint electoral list for the two groupings. It was agreed that Lech Walesa ought not to be the leader of a joint bloc but merely to support the joint electoral list.

Poland: Electorates of Political Parties Identified

WS1706131196 Warsaw GAZETA WYBORCZA in Polish 12 Jun 96 p 2

[Article by Tomasz Zukowski: "Spectators on the Political Scene"]

[FBIS Translated Text] The electorates of the Freedom Union [UW] and the Union for Real Politics [UPR] are the most supportive of the free market and privatization. Backers of the 100 Movement are also relatively liberal. Supporters of the Union of Labor [UP] are rather centrist (they tend to support the free market rather than a welfare state). Directly in the center are supporters of the Democratic Left Alliance [SLD], Solidarity, and the Movement for the Reconstruction of Poland [ROP].

Those who declare their willingness to vote for the Christian-National Union [ZChN] tend to advocate moderate prosocial solutions. Supporters of the Polish Peasant Party [PSL] are far more radical in this respect: They demand more interventionism on the part of the state and an egalitarian policy of division of power.

The prosocial option prevails among those undecided who to vote for.

SLD supporters are unequivocally progovernment. The PSL and UP electorates moderately support the current

Cabinet. Backers of UW, the ZChN, and the Non-Party Bloc in Support of Reforms [BBWR] criticize the government. Supporters of Solidarity and ROP are the staunchest opposition.

Opinions on the rule of the Polish United Workers Party and decommunization divide the spectators of the political scene into:

—staunch supporters of the Polish People's Republic [PRL] and the SLD, who refute decommunization;

—backers of the PSL, moderately supportive of the PRL;

—centrist supporters of UP and UPR;

—supporters of UW and parties rooted in the Solidarity movement, who are against communism.

The staunchest anticommunists are in the electorates of Solidarity and ROP.

ZChN and Solidarity backers are the most devout Catholics and most supportive of the social teachings of the church. Supporters of ROP, the BBWR, and the Patriotic Camp are also ardent churchgoers. Those whose sympathies lie with UW and the 100 Movement are centrists (supportive of religious values rather than anticlerical). Also in the center (yet slightly criticizing the church for its excessive involvement in public life) one may find supporters of UP, the PSL, and UPR. SLD voters are strongly critical of the involvolvement of the church on the political scene and disapprove of its social doctrine.

Poland: Role of Solidarity in Next Elections

96EP0063A Warsaw POLITYKA in Polish 27 Apr 96 No 17, p 18

[Article by Janina Paradowska: "Under Solidarity's Umbrella: Bickering and Shoving"]

[FBIS Translated Text] It still is not quite clear whether Jacek Kurski, spokesman for the Movement for Rebuilding Poland, bluntly called Marian Krzaklewski, head of Solidarity, a "flabby broad," or whether he merely threw out a hint that Mr. Krzaklewski may be in reality a broad. Mr. Kurski speaks a more precise language only when commenting on Communists and the nomenklatura, that is, on everyone other than himself. Concerning the "flabby broad," he clearly acted like a spin doctor. He could be for or even against.

This does not change the fact that this comment stirred a big political hornet's nest among the Right, which finally added some excitement to the interminable and hence ever more monotonous discussion of the unification of post-Solidarity and independence groupings prior to the coming parliamentary elections. The problem of the gender of Solidarity's chairman was even considered by its National Committee, which undoubtedly shows that its activists feel a great need to debate the most important national issues.

In all fairness, it must be admitted that Mr. Kurski had reason for feeling upset. After all, Chairman Krzaklewski met with Jan Olszewski, the leader of the ROP (Movement for Rebuilding Poland) and Mr. Kurski's boss. The meeting started out by establishing that the platforms of these two groupings are so similar that they could be represented jointly in the elections. Besides, the ROP accepts in advance all the platform planks of Solidarity, because it has none of its own other than decommunization (a specific notion) and rebuilding the Polish state (a notion so generalized that its meaning is obscure), so reaching a consensus was not difficult. Olszewski's grouping absolutely needs Solidarity because, while its standing in the polls is good, it lacks the organization needed to wage a successful electoral campaign. As for the vision of allying Solidarity—the second most popular force in the polls, with the ROP, that is, the third force—it is unusually attractive. After all, that is the vision of an electoral victory. To be sure, there is a minor snag en route: Will the potential voter accept precisely such an alliance? But who has said that leaders have no right to dream?

Not all Solidarity activists are satisfied with these decisions, because Solidarity was and remains pluralist. And the readily propagated opinion that Solidarity has almost in its entirety hurled itself into an embrace with the ROP, which the latter's leaders would of course wish very much, is not true. Thus Chairman Krzaklewski had to distance himself somewhat from hasty opinions, as manifested in that, among other things, he even found the time for a talk with former President Walesa—something that earlier he and Jan Olszewski had explicitly no desire for. Jointly with Walesa Krzaklewski has now demanded a single electoral list for the post-August bloc, meaning something impossible. Attaining the impossible (as in a common candidate for the Presidency) has, however, become practically an obsession to Solidarity's chairman and, as known, it is difficult to part with obsessions.

The uproar about the "broad" was accompanied by the reemergence of a motif that regularly appears before every election. It is a home-grown motif, so to speak. This concerns the contest to gain the support of Solidarity and acquire the historic label with the inscription "Solidarity." Such attempts are being made the more readily considering that Solidarity itself does not the entertain the notion of its own political existence (which within Solidarity is valued much more than its existence as a trade union). It has for years been vacillating between the intent to establish a political party of its own, standing for the elections on its own as a trade union, and attempts to play the role of the principal center unifying the increasingly bickering miniparties of the Right. Thus for years Solidarity has been a tempting morsel to politicians needing a launcher by means of which to leap across the 5-percent electoral thresholds.

However, the political appetites of those who greatly need support are one thing and the real possibilities for concluding alliances, and effective alliances at that, are quite another. Nowadays Solidarity can realistically consider two scenarios: either standing independently in the elections or allying itself with smaller parties, which in practice would mean adding their activists to its electoral lists. An alliance with the UW (Freedom Union) is not possible (with the exception of fragmentary regional alliances) because of the strong anti-UW mood within Solidarity. An alliance with Olszewski is not possible either, although the workforce of Ursus Tractor Plant would certainly be ready to declare its overall support for the ROP. To be sure, Olszewski's movement attracts frustrated activists by its extremism, but a residue of common sense suggests that the popularity of extremism is, after all, limited.

Thus each of these alliances threatens a schism within Solidarity, regardless of whether it is headed by Krzaklewski or, e.g., Andrzej Smirnow, a supporter of Olszewski. Some regional activists believe anyhow that Olszewski's party would welcome such a change in Solidarity's leadership, and it is not unlikely that related attempts may be made. In this context, the suggestion of the ROP's spokesman concerning the flabby broad is becoming somewhat clearer. Of a certainty, such a change would be equivalent to an attempt at suicide, but we are already accustomed to suicidal gestures on this particular side of the political scene. Their absence would be something completely unusual.

It simply so happens that Solidarity cannot ally itself with any significant grouping nowadays without being torn into shreds. The lesson learned from the presidential elections, and especially the experience with the Convent of St. Catherine, the site of the formation of a new rightist party, shows that attempts of this kind become compromised and ultimately fail. Solidarity may yet decide to stand on its own, and this would seem the most rational move, but that would require organizational work. It would require nurturing a group of potential candidates, identifying and supporting some of them in the field. Such work, a major task, has not yet been commenced by anyone, as far as is known. For the time being the leadership of Solidarity are rehashing old ideas, except that for the vision of a common candidate they substitute the unrealistic vision of a common electoral list or the equally lunatic idea of an electoral alliance, with the difference that Solidarity would then stand for elections to the Senate and all the other associated groupings would field lists of candidates for seats in the Sejm.

The slogan of uniting the Right under the Solidarity umbrella for the time being bears fruit in actions that diminish the image of the Right and may result only in new cabaret acts. On the post-Solidarity side three distinct blocs are clearly emerging: One rallied around the Freedom Union, another precisely around Solidarity itself, and the third the extremist Movement for Rebuilding Poland. The most rational approach would be to strengthen such three blocs without making any more attempts at unifying them, which would be merely more divisive. Even now at least several so-called merger initiatives can be enumerated, and yet each week more are surfacing. Perhaps some deeper purpose motive lies behind such actions; for example, a test to see just when the last voter becomes discouraged.

Poland: Episcopate Says State 'Ignoring' Catholics

WS1706144296 Warsaw GAZETA WYBORCZA in Polish 13 Jun 96 p 2

[Report by the Catholic News Agency, "E.Cz.": "The Episcopate Wants To Continue Dialogue With the Authorities; The Government Is Ignoring Catholics"]

[FBIS Translated Text] *The bishops want to continue their dialogue with state authorities. They are unsettled, however, by the hiatus between official declarations, issued by government representatives, and their practical implementation. High-ranking church officials claim that this indicates that the Catholic part of our society is being ignored. Church-state relations is one of the main topics of the 283d Plenary Conference of the Polish Episcopate due to end today in New Opole, near Siedlce.*

During the course of the conference, the bishops voiced their satisfaction with current relations with the state authorities. They spoke of the need for finding new forms of dialogue and developing existing ones.

Tarnow Bishop Jozef Zycinski, a member of the Standing Commission of the Episcopate, said that the bishops are disturbed by the fact that official declarations made by state authorities are not reflected in any way in executive laws. He gave the example of the ratification of the Concordat—the state authorities had declared that the Concordat would be debated by the Sejm in June, but then it turned out that there was no way of placing the issue on the parliamentary agenda. The bishops claim that this type of behavior indicates that the

Catholic sector of our society is being ignored. "We do not want the dialogue to be merely an exchange of declarations or a series of meetings. We want it to find fruition in specific activities, which, unfortunately, have been very scarce lately. If there were any, they were mainly negative—for example, attacks on the pope or recent leaks to the tabloids, which is a sad sign of the times," stated Bishop Zycinski. According to members of the Episcopate, not much has changed in church-state relations. Instead, communities professing cynicism as their philosophy or whose conduct does not befit a civilized society are coming to the fore.

The bishops also expressed their concern with new regulations in the field of education and culture that do not account for religious values in any way. In the opinion of the bishops, the constitution should be drafted in a uniform, ethical perspective instead of being a compromise worked out in the course of utilitarian shuffles among various political groups. "A clear vision of man and human values should be the basis of the new constitution. Hence, our concern that the constitution include an invocation to God stems not from our intention to include religious rhetoric in the constitution, but from the fact that, only after the existence of a metaphysical reality is acknowledged, can we fully appreciate the truth about man and his spiritual dimensions," said Bishop Jozef Zycinski.

Poland: Productivity Seen Behind Economic Growth

96EP0061B Poznan WPROST in Polish 21 Apr 96 No 17, p 47

[Article by Waldemar Kuczynski: "Reflections of a Monetarist: A Brief Survey of the Past"]

[FBIS Translated Text] When working on a more ambitious writing project, so to speak, lately I have been making excursions into the past. Right now I am touring the economy of 10 years ago. That is an instructive excursion. In the mid-1980's the authorities rejoiced when, following its collapse in the years 1979-82, the economy emerged from its nadir, while economists were warning that it was soon going to reach the end of a blind alley. "I don't remember," wrote the late Professor Jozef Pajestka, "a time when this country ever before existed in a situation prompting such pessimistic forecasts."

Factories were aging because there was no money and no foreign exchange for renewing worn capital goods. There was no money because most of the investment funds were spent on completing the investment projects of the 1970's, and no end was seen to that. There was a shortage of foreign exchange for imports because more and more of it had to be set aside for paying interest, but the debt grew anyway because there was not enough money to pay interest in full. Investment funds could not be increased at the expense of consumption because this might result in public protests. A substantial increase in national income could have helped, but in that respect too the prospects were very poor. In the years 1986-90 the supply of fuels, raw materials, and energy was to increase by 5 percent, and the increase in the labor force was to be as small. Yet the growth of communist economies has from the outset been based chiefly on the supply of these resources, termed extensive factors, and never on improvements in efficiency, that is, on intensive factors. "The drama of Poland's economic situation consists in," an economist wrote, "the impossibility of altering the existing direction of its development."

In the mid-1980's the country faced a dilemma that resembled squaring the circle: Either its typical nature of growth had to change or, given the existing restrictions, the growth of national income would be too small to prevent increasing backwardness of the economy, its growing debt burden, and ecological and civilizational catastrophes. The authorities wanted to overcome this situation by combining pious wishes with beating their heads against the wall. One pious wish was the assumption that, despite the limited availability of extensive factors of growth, national income would increase by nearly 20 percent by 1990, that is, that a miraculous growth in efficiency would occur. As for beating their heads against the wall, that was in essence the attempt to eliminate some restrictions, and it was exemplified by the huge program for expanding the fuel and energy base, which presupposed, among other things, building some 15 new coal mines and increasing coal extraction to 211 million metric tons by the year 2000. Before it could have been implemented, the remainder of the economy, being deprived of resources, would have turned into a wasteland of rusting machinery. To put it briefly, in the mid-1980's the situation of the Polish economy offered no hopes for halting its downhill slide. The only way out of this squaring of the circle was to break out of the vicious circle, but that had to wait until 1989.

When one views the economy since then until 1995, the year 1989 looks like the fairy-tale white knight who comes to the aid of a lady in distress at the last moment. It has freed the economy of ideological nonsense and begun to tear it away from the grasping paw of the bureaucrat and subject it to the decisions of millions of buyers, that is, to that so stupidly derided invisible hand of the market, proving that hand to be a mighty creative force. As Professor Ney wrote in the 1980's, the invisible hand of the market shoved away from us the specter of "the self-devouring economy extracting ever more coal in order to generate ever more electricity with the object of producing ever more steel in order to extract ever more coal...." Our GDP nowadays is at least 7 percent higher than 10 years ago. We generate it while at the same time extracting 29 percent less coal, producing 27 percent less steel, sawing 45 percent less lumber, and handling 48 percent fewer rail freight shipments. For the last four years the continuing growth of the economy, which is now more robust than it had ever been under the People's Republic of Poland, has been triggered solely by intensive factors, by those improvements in efficiency that could not be achieved under socialism. This is the principal source of hope. It was nonexistent 10 years ago.

Poland: Uncertainty About Future Economic Growth

96EP0061A Poznan WPROST in Polish 21 Apr 96 No 17, pp 19-20

[Article by Michal Zielinski: "A Strategy for Stagnation: The Factors That Propelled Growth in Output Are Gradually Disappearing, and There Is No Certainty Whether They Will Be Replaced"]

[FBIS Translated Text] Poland's economic performance for the last four years has been excellent. We are the fastest growing country in Europe and ours is one of the fastest growing economies in the world. Our gross domestic product increased by 2.6 percent in 1992, by 3.8 percent in 1993, by 5.2 percent two years ago, and by 6.8-7.0 percent last year. What is more, Western analysts (a forecast by THE ECONOMIST's Intelligence Unit) are highly optimistic in their expectations concerning Poland's economic situation for the next few years. In their opinion, the growth rate of the economy on the Vistula will gradually diminish, but even so chances are that it will remain at a level of more than 4 percent until the end of this century. That would make Poland one of the world's fastest "growth gazelles." Such optimistic forecasts also result in positive appraisals of the moment when we shall come sufficiently close to Europe for us to join the political and economic structures of the Western world on an equal basis.

But forecasts of this kind have the disadvantage of being labeled as containing the "linear effect." Most of them are based on extrapolating the existing trends. Reasoning of the kind, "Since things were good yesterday, they will also be good tomorrow," in most cases proves correct. Sometimes, however, life surprises us by qualitative changes. (Consider for example a mistaken 1900's forecast according to which there would be several million horse-drawn hackney coaches in Paris by the year 1950.) Sometimes also minor "quantitative" shifts, ignored in analyses, pile up to produce unexpected consequences. This is what happened in the case of last year's forecasts of the German economy. At first a 4-percent increase in the GDP had been expected, but with each month that optimistic indicator had to be revised downward. Even so, the final outcome proved still worse, so much that we can even speak of a stagnation in output for that locomotive of economic growth.

It may turn out that Poland's robust economic growth will lose its momentum as well. Certain factors that had propelled growth in output are gradually disappearing, and there is no certainty whether they will be replaced by new ones.

Let us begin at the beginning, that is, with the causes of the "Polish economic miracle." In 1990 Poland's economic structures (assets, manufacturing, prices, and so forth) differed completely from those existing in the "normal" world. A bold opening to the world and a convertible currency were bound to cause soaring inflation. Everyone remembers well that "corrective" inflation. But not everyone remembers the "corrective" growth of the economy. The unmet needs of potential buyers for cars, electronic equipment, smokeable cigarettes, or even beer, at the moment of transition to a market economy bore fruit in the form of deferred demand. Those who knew how to exploit that demand increased their output.

The corrective changes in the economy also meant the disappearance of unneeded production, that is, of production that had been in demand owing to the wastefulness of the socialist planned economy. Last year, while output level was higher, coal extraction was 40 million metric tons lower than in 1989. Let us also add that, despite the winter of the century, we have surplus stocks of 15 or so million metric tons of coal whereas the 1980's had been a period of "temporary" restrictions on energy supply with the notorious "24-percent delivery."

The decline in superfluous output and the growth of the output for which demand exists are proof of a more streamlined and effective economy. But the related congratulations have to be muted because this process is being maximally slowed down and inefficient enterprises are being kept alive by every means available. As to what "every means available" signifies, just consider the mining industry. Mine debts totaled 83 trillion old zlotys at the end of February. That is how much we spent on maintaining the extraction of the "black gold" coal with taxpayer money and owing to a higher inflation than could have been attained. How much more we will still have to spend, no one knows precisely. But it will certainly be a great deal, because in February alone—

and that was apparently a good month so far as coal sales are concerned—the debts of the coal mining industry increased by more than 1.5 trillion old zlotys.

The next on the list, though first in importance, source of economic growth has been foreign demand. The decline in orders from the countries of the former USSR had gravely reduced the sales opportunities of some heavy-industry enterprises, but the economy succeeded in rapidly reorienting itself to Western markets. In the last six years the value of exports—referring to so-called documented exports alone [that is, exclusive of unofficial cross-border trade]—increased to $23.2 billion from $13.5 billion, that is, by nearly 80 percent. It is worth noting that last year private enterprises exported goods worth more than $13 billion. This means that nowadays the value of exports by the private sector alone equals that of the entire economy's in the declining years of socialism.

If you prefer, this can be put differently: We owe to privatization the entire growth in documented exports. Actually, moreover, the export performance of the private sector has been even better. The surplus of purchases over sales of hard currencies at currency exchange stores in 1955 exceeded half a million dollars monthly, from which it can be concluded that the positive balance of cross-border trade reached $6 billion. According to estimates, in 1955 this surplus increased by 70-100 percent.

What has made possible such a considerable increase in exports? First, the good state of the economy of West Europe, principally of that of our major customer, Germany. Second, the favorable price ratios, making it worthwhile for the inhabitants of the eastern part of Germany to do their purchases in Poland. These external factors operated to a large extent independently of us. But it depended on us to exploit them and fortunately we did not miss the opportunity to increase exports, owing to privatization and the abolition of monopolies on parts of the economy. Wherever enterprises found a purchaser or at least, while remaining state-owned, were forced to compete with domestic and foreign companies, they changed in a positive and tangible manner. As to what happened in the sectors in which big state-owned companies were hooked up to the spigot of the government budget, it is best to try and forget it.

It is time to answer the question of why the future does not have to be as good as the present.

The principal peril is to be viewed in the unpleasant combination of two factors: the persistence of high inflation this year and the worsening of the economies of Germany and other Western countries. After the first three months of 1996 consumer prices are more than 7 percent higher than in December 1995. While this is nearly 1 percent less than in a like period last year, the prospects for an unusually difficult preharvest season and the delay of field work by more than a month owing to the severe winter do not augur well for the coming harvests, and the chances that inflation this year will be much lower than last year are negligible.

As a consequence, interest rates will remain at a nominally high level. And that will curb domestic investment demand while at the same time spurring the influx of foreign investment funds. (We are witnessing an exact repetition of last year's situation because the annual plan for increasing foreign exchange reserves was exceeded as early as in February.) This in its turn will, as we learned from the experience of 1995, result in an appreciation of the zloty in real terms. Given a quarterly 7-percent increase in inflation and an appreciation of the dollar at the NBP [National Bank of Poland] by about 3 percent the zloty will become 4 percent stronger in real terms. Then exports become less profitable by the same amount, 4 percent, and imports correspondingly more profitable. In such a situation even Minister Jacek Buchacz is not an optimist and does not preclude a deficit of $6.5 billion in the documented trade balance. This deficit will most likely be successfully offset by cross-border exporters, but they too are beginning to be affected by the cumulative effects of domestic inflation and stabilization of the zloty exchange rate. According to a forecast by the Institute of Studies of the Market Economy, the cross-border trade surplus generated at Odra River bazaars this year will not exceed $6 billion; that is, it will remain at the same level as last year.

Foreign trade has been a superfast locomotive of growth. But in the future, even if it still pulls the GDP upward, it will do so like a steam locomotive dragging a slow suburban train.

According to a definition by Prof. Czeslaw Bobrowski that was popular years ago, economic growth most often is due not to any single factor but an effect of "besieging," that is, to the persistent removal of all obstacles to an increase in efficiency. In Poland some of these obstacles have been forgotten about. Nothing has been done about declaring the bankruptcy of consistently money-losing state enterprises; the process of privatization remains uncompleted, the social security system remains unreformed (in both these last cases the Czechs and Hungarians are markedly ahead of us), there has been no reform of the state budget, and the effect of market mechanisms on agriculture (which accounts for 27 percent of all employment) has been restricted. Make-believe measures and postponement of decisions at the expense of higher budgetary spending has seemed to successive governments a "lesser evil" than implementing difficult changes hurting some or other parochial interests. But time is running out and, under unfavorable circumstances, that "lesser evil" may prove a great loss to us all.

Romania: PD's Roman Says Possible Yeltsin Victory 'Reassuring'

AU1706122596 Bucharest Radio Romania Network in Romanian 1010 GMT 17 Jun 96

[FBIS Translated Text] In a statement made to AGENCE FRANCE PRESS today, Petre Roman, president of the Democratic Party [PD], said that, considering our country's wish to join euro-atlantic bodies, Boris Yeltsin's possible victory in the Russian presidential elections could be reassuring for Romania. In his opinion, the current Kremlin leader, who represents the option for a modern Russia that is a partner of the West, is more open to comprehending that NATO is not hostile to his country and that Romania joining that alliance is not directed against Moscow.

Romania: Ethnic Hungarians Unsuccessful in Local Elections

LD1706151096 Budapest Kossuth Radio Network in Hungarian 1000 GMT 17 Jun 96

[FBIS Translated Text] The second round of the Romanian local elections [on 16 June] has not brought success to [ethnic] Hungarian candidates. Our correspondent, Peter Marvanyi, reports:

[Marvanyi] People cast their votes in the second round clearly along ethnic lines. Although the candidates of the Democratic Union of Hungarians in Romania [UDMR] held out in the most important towns and cities, they could not win, according to the first commentary by the UDMR's executive presidium. The Democratic Convention of Romania [CDR] won the mayor's seat in Nagyvarad [Oradea] and Szatmar [Satu Mare]. [passage indistinct]

The fact that the UDMR and the Democratic Convention are in a majority on many local authority bodies could also be important for the next four years. This situation creates an opportunity for cooperation among these opposition parties.

The landslide victory of an independent Hungarian candidate over a UDMR candidate in Csikszereda [Miercurea-Ciuc] is an important warning sign for the UDMR. Taking the mayor's seat from the nationalist, communist Socialist Workers' Party [PSM], the Liberals [Liberal Party 1993, PL-93] won in Brasso [Brasov]. The extremist Romanian National Unity Party [PUNR] led by Gheorghe Funar has practically been driven back to Kolozs [Cluj] County.

Compared to the 1992 results, the UDMR has now increased the number of its mayors but it has fewer councillors than before. According to executive chairman Csaba Takacs, the question of the lower turnout compared to the 1992 elections must also be analyzed.

Romania: UDMR Candidates' Results in Local Election

LD1706190796 Budapest Kossuth Radio Network in Hungarian 1630 GMT 17 Jun 96

[FBIS Translated Excerpt] All in all, the second round of the Romanian local elections has been characterized by indifference, a challenge coming from the opposition, and a setback suffered by the [Romanian National Unity Party chairman Gheorghe] Funar-led extremist party. Tibor Bogdan and Peter Marvanyi report:

[Bogdan] According to available data, so far 11 of the 48 mayoral candidates of the Hungarian Democratic Union of Romania [UDMR] have won in the second round of the local elections, raising the total number of UDMR mayors to 136—12 more than four years ago.

Regrettably, however, the UDMR lost out in the big Transylvanian towns because the Romanian-majority population voted for the Romanian candidate, regardless of party affiliation. For example, in Oradea Jozsef Csapo gained only 30,000 votes, whereas his rival, the candidate of the Democratic Convention, received 70,000. [passage omitted]

In the second round of the local elections, UDMR candidates won six mayoral seats in Bihor County, three in Satu County, two each in Arad and Mures counties, and one each in Cluj and Covasna counties. [passage omitted]

In several wards ethnic Hungarians running as independents won seats. It is expected that the UDMR will be able to cooperate well with them. [passage omitted]

[Marvanyi] Indifference was the most conspicuous result of these elections, especially concerning the second round. [passage omitted]

Romania: Final Results of Runoffs in Bucharest, Other Cities

AU1706175896 Bucharest Radio Romania Network in Romanian 1600 GMT 17 Jun 96

[FBIS Translated Text] According to the final results published by the Bucharest Electoral Bureau, Victor Ciorbea, who ran on behalf of the Democratic Convention of Romania [CDR] was elected new general mayor of the capital city. Ciorbea obtained 56.74 percent of the valid votes, while Ilie Nastase, running on behalf of the PDSR [Social Democracy Party of Romania], obtained 43.26 percent of the votes.

In the first district of Bucharest, the new mayor is Gheorghe Padure, an independent candidate, who obtained 55.77 percent of the votes over Adrian Oghina, CDR, who obtained 44.3 percent.

In all the other districts of Bucharest the mayoral posts have been conquered by the CDR candidates, who ran against opponents representing the PDSR. Thus, the second district mayor is Vladimir Popescu with 62.13 percent, besting Gheorghe Stancu, with 37.87 percent. The third district mayor is Sorin Paliga with 57.05 percent, his competitor, Oliviu Musetescu, having obtained 42.95 percent of the votes. The fourth district mayor is Marin Lutu, who got 57.57 percent over Aurelian Vulturu with 42.43 percent. The new fifth district mayor is Calin Catalin Chirita, who obtained 56.34 percent, while the loser is Dan Luric with 44.65 percent. In the sixth district Ion Dinuta was elected mayor with 60.03 percent of the votes, while his opponent, Dan Alexandru Darabont, obtained 39.96 percent of the votes.

Here are the winners of the mayoral runoff which took place yesterday in 26 county capital cities. The information comes from our local correspondents at the county electoral bureaus, as well as the ROMPRES news agency, as follows:

Baia Mare—Cristian Anghel of the CDR;
Botosani—Ioan Cojocariu of the Social Democratic Union [USD];
Brasov—Ioan Ghise of the Liberal party '93;
Constanta—Gheorghe Mihaies of the USD;
Miercurea Ciuc—Csaba Csogor, an independent candidate;
Ploiesti—Horia Toma of the CDR;
Satu Mare—Stefan Horea Anderco of the CDR;
Sibiu—Dan Condurat of the CDR;
Suceava—Constantin Sofroni of the PDAR [Democratic Agrarian Party of Romania];
Targovise—Teodor Bate of the CDR;
Tulcea—Nicolae Mihai of the USD;
Oradea—Mihai Sturzea of the CDR;
Alexandria—Teodor Nitulescu of the PDSR;
Buzau—Constantin Gospodeala of the USD;
Zalau—Petre Durcau of the CDR;
Bistrita-Nasaud—Pavel Popescu of the CDR;
Bacau—Dumitru Sechelariu, an independent candidate;
Slobozia—Ioan Pinter of the PDSR;
Alba Iula—Mircea Hava of the USD;
Deva—Mircea Munteanu of the CDR;
Drobeta-Turnu Severin—Constantin Dicu, an independent candidate;
Resita—Mircea Ioan Popa, an independent candidate;
Pitesti—Tudor Pendiuc of the USD.

In Calarasi Municipality they will organize a mayoral runoff between Marian Catana of the CDR and Nicolae Dragu of the PUNR [Romanian National Unity Party]. Also, on 30 June they will hold a mayoral runoff in Slatina as well, the candidates remaining here in the race being those of the PDSR and an independent one.

In Craiova Municipality they will also hold a runoff to designate the new mayor of the city, the competitors being Nicolae Manescu of the CDR, and Vasile Bulucea of the PSM [Socialist Party of Labor].

Romania: Nuclear 'Incident' Reported at Piatra Neamt Plant

AU1706194796 Bucharest Radio Romania Network in Romanian 1917 GMT 17 Jun 96

[FBIS Translated Text] A nuclear accident has occurred during the period of 12-15 June at the Azochim Ltd. [chemical] company in the town of Piatra Neamt—says a communique sent to the ROMPRES news agency by the National Commission for Control Over Nuclear Activity of the Ministry of Waters, Forests, and Environment Protection.

The principal reasons were serious violations of regulations on the functioning of the nuclear unit, guilty of which are the chief of the nuclear unit, the employee responsible for nuclear protection, and the management of nuclear sources and operating personnel. The two were fined.

Authorization to operate the unit was suspended for an unlimited period of time until legal preconditions are met.

Due to the incident, two operators were irradiated—says the communique issued by the aforementioned commission.

Slovenia: Drnovsek Views Association Agreement With EU

AU1706180596 Vienna DER STANDARD in German 15-16 Jun 96 p 2

[Interview with Slovene Prime Minister Janez Drnovsek by Ivan Lukan in Ljubljana: "Slovenia's EU Association Is 'Milestone to Full Membership'"]

[FBIS Translated Text] [Lukan] Mr. Prime Minister, how important is the association agreement [with the EU] for Slovenia?

[Drnovsek] Our declared objective is full EU membership. The association agreement is certainly a milestone. Even now, Slovenia exports about 70 percent of its production to the EU states and we have always been part of the European tradition. Slovenia is very well qualified for full membership. However, on this way we also have had to overcome numerous difficulties, more than others had. I am just referring to Italy.

[Lukan] The agreement was signed after a delay of several months. Is Italy alone responsible for it or was Slovene diplomacy also partly to blame? After all, two foreign ministers, Peterle and Thaler, have dropped out.

[Drnovsek] I cannot share this assessment. In the period when I was dealing with the problem, there were four Italian prime ministers and several Italian foreign ministers. Slovenia had to go into an unequal struggle with a stronger partner—a neighbor that took advantage of its position of being already an EU member.

[Lukan] How is entry into the EU being received in Slovenia itself?

[Drnovsek] On the outside, there is a positive consensus between the Liberal Democrats, the Christian Democrats, and the United List. However, there are also some parties that take a reserved to negative attitude toward the EU. Even now, Slovene industry is convinced that the way is right. Individual politicians have their difficulties. However, I expect the pro-European orientation to predominate in the end. Today it is already clear that a large majority of Slovenes support the orientation to Europe.

[Lukan] Will there be a referendum?

[Drnovsek] The negotiations will probably take place in 1998 and it can be assumed that in this year or the next a final decision will be made. When the conditions for full membership are fulfilled and our assessments have also been presented, we will ask Slovene citizens.

[Lukan] Austria has assessed the association agreement positively, also provided that some Austrian wishes were taken into account. For example, the Slovene duty-free shops will be closed by 1 July 1998, the early warning system for incidents in the Krsko nuclear power station has been fixed, and there will no longer be free transit traffic. Has Slovenia also given in in other respects?

[Drnovsek] Slovenia has not given in anywhere, but it has only accepted that it has to act according to European rules.

[Lukan] Will your government remain in office until the regular election date before the end of 1996?

[Drnovsek] The coalition with the Christian Democrats has not been formally dissolved and thus it continues to exist. Attempts were made to provoke early elections, but they were successfully fended off by us.

Slovenia: Compromise on Real Estate, EU Membership Viewed

AU1706120896 Ljubljana DELO in Slovene 12 Jun 96 p 3

[Commentary by Mojca Drcar Murko: "What Is Important Now?"]

[FBIS Translated Text] The proposition that Italy is very powerful when we encounter it on our own and vulnerable and only relatively powerful when we negotiate with it through the filter of the international integration has proved to be correct.

Despite our clumsiness, which it skillfully exploited, Italy did not ultimately succeed in convincing the 14 EU members that its citizens are entitled to special rights in the Slovene real estate market. The final formula makes it possible for not only Italian but all EU citizens—always on the condition of bilateral reciprocity, however—to participate in Slovenia's real estate market if they have resided in our country permanently for three years.

This does not constitute the right of first refusal, although the Italian press writes that it does. The right of first refusal means that the seller must first offer his goods to the holder of this right and can only sell the goods to others if the holder does not wish to buy them. It is also not a concession to a certain category of Italian citizens because it is not limited to "the territories adjoined" after the World War II. In all of Slovenia, those who are entitled will be able to enjoy certain privileges a little (a year) earlier than others. As there is no time limit, one can picture quite a wide circle of people who will classify. In this light, it is also no longer possible to interpret the priority as a renunciation of the equality principle that is the foundation of the European Union. It is a concession, but not to the national interests of a particular country. Reciprocity, of course, also means that Slovenia will be obliged to ensure the right to the entitled parties only on the basis of reciprocal bilateral agreements with their states. The reciprocity concept is, thus, relative. Slovenia is not trading something in exchange for something else. It only gives something if its citizens also have to right to the same thing.

In the case of Italy, this is rather important. Italy has restricted the right of foreigners to purchase real estate in its border areas—in practice especially along the border with the former Yugoslavia—by requiring a mandatory consensus by the military authorities (prefects). The only appeal against this decision is to the president of the republic. A foreigner who acquires real estate without permission and any Italian intermediary are threatened with imprisonment ranging from 6 months to three years (Laws No. 886/1931; 1095/1935, 2207/1939; 898/1976; 104/1990). Lawyers in the Trieste area say that when Slovenia became independent a secret circular was sent to all notaries in the region prohibiting them from verifying contracts with Slovenes (and Croats).

Under the auspices of equality in the European Union, Slovenia has therefore succeeded in having Italian special demands absorbed into the European standards. Superficially, the solution differs little from the one contained in the Acquilea statement. According to the latter, Italy would, in exchange for the limitations in Slovene real estate trade, which would subsequently benefit Italian citizens, assume patronage over Slovenia in the European Union. We would negotiate with the European Union via Italy, which would assert its national interests at the bilateral level in such a way that the EU would not be able to accuse it of extorting unilateral advantages.

However, the circumstances that facilitated the compromise—sufficiently satisfactory for Slovenia, Italy, and the European Union—cannot be ignored. The United States played the decisive role here. With its involvement in the Balkan war it started creating a new security barrier. We assumed that this barrier would run through Slovenia, probably also Croatia, toward Hungary, and that Italy would lose its key strategic position as a cornerstone element. The events of the past few weeks—especially after the victory of "Harvardian" Prodi in the Italian elections—did their part for the success of friendly persuasion. In Italy it reduced the despondent resistance that had gripped the right wing of the political scene after the electoral debacle. Evidently, Washington helped remove the last unexpected obstacle—the British blockade of all EU decisions—(according to REUTER this happened as a result of "great U.S. pressure on the government in London.")

The psychological effect in the international community is great and can be sensed in the Italian press, which is now publishing numerous arguments that were previously cited in vain, namely, about the importance of the Slovene hinterland for the development of Trieste and Gorizia, and the transit and communication links with Central Europe. However, one should also not overlook the fact that they are also reporting on "the Italian Government securing funds for the purchase of real estate in Slovenia for the option-takers" or in other words, they are planning to set up funds which would buy real estate in the national interest via individual entitled parties.

There is a danger, even a great one, that this entire project will be taken over by the mafia—which might or might not be backed by nationalists—with speculative market intentions. The only way to avoid this is to start work immediately on protective Slovene legislation to combat the mafia. It will be the true test of Slovenia's readiness to comply with the European standards of the developed, law-regulated organized capitalism (another big bite to swallow will be adoption of antimonopoly legislation).

An important step toward Europe has been made. It must, however, be accompanied by numerous legal instruments to end the period of wild domestic profiteering, which ultimately would also protect state interests from wild foreign enterprise.

Slovenia: Drnovsek-Dini Talks Termed 'Milestone' in Relations

AU1706075996 Ljubljana Radio Slovenia Network in Slovene 2000 GMT 15 Jun 96

[FBIS Translated Text] After a couple of years, the cool relations between Rome and Ljubljana are returning to a course of good cooperation, and all this at the request of both sides. Today's meeting of the prime ministers of both countries, Dr. Janez Drnovsek and Romano Prodi, in Rome also confirmed this. Our prime minister was accompanied by acting Foreign Minister Zoran Thaler and State Secretary Ignac Golob. From the Italian side, the meeting was also attended by Italian Foreign Minister Lamberto Dini. Jure Pengov reports from Rome:

[Begin recording] [Pengov] We can expect a turnabout after today's over-two-hour talks of the prime ministers and foreign ministers of both countries. The cordial openness with which the Italian side was willing to abandon the policy of former governments and look ahead testified to this. Prodi and Dini, thus, proposed setting up a line of communication to Hungary via Slovenia and announced financial assistance. They also advocated that Rome and Slovenia quickly sign two key agreements for the blossoming of economic cooperation—the agreements on the prevention of double taxation and the protection of investments.

The countries are also drafting an agreement whereby the citizens of both countries would soon be able to cross the border with an identity card alone. Drnovsek reminded Prodi of Italy's obligation to support and protect the Slovene minority financially and legally.

There was also talk of the return of the esuli's real estate. Dr. Drnovsek says about this:

[Drnovšek] At the end of the talks, the Italian side also raised the issue of the return of real estate, but not aggressively. My reply to this was that, for us, this question was resolved with the signing of the associate membership agreement and, of course, the Rome Treaty is binding for us, the solutions envisaged by this treaty. This treaty will continue to be the foundation of the relations between the two countries.

[Pengov] Summing up, could you say that a different sort of relations between the neighboring countries are on the horizon now?

[Drnovsek] I am convinced, I mean, there are a lot of indications that give rise to such optimism. [Words indistinct] by Prime Minister Prodi and also Foreign Minister Dini clearly reflect the efforts to close the more negative stages in our relations and concentrate on constructive issues; that Italy wants good cooperation, too.

[Pengov] In short, we can expect that today's meeting in Rome will truly be a milestone in the relations between the countries. [end recording]

Slovenia: Two Candidates Said in Running for FM

AU1706161296 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 17 Jun 96

[FBIS Translated Text] Prime Minister Drnovsek will propose the candidate for the new foreign minister to the State Chamber by the end of the month. According to our sources, there are two candidates—Dr. Miran Mejak and Dr. Davorin Kracun—while the public has also speculated about Ambassador to Spain Franco Juri. We have learned, though, that Franco Juri is not expected to get this post at least until the elections.

The prime minister has not made the final decision on the candidate yet. In the worst of cases, if he fails to secure support for this proposal in the parliament, he will take charge of the department himself until the elections. The other coalition party, the Christian Democrats, says it has not been officially informed of the proposal for the foreign minister yet. [Words indistinct] tomorrow, when the Christian Democrats' executive committee will meet.

Slovenia: Conference Held on Status of Serbs in Slovenia

LD1706121896 Belgrade TANJUG Domestic Service in Serbo-Croatian 0944 GMT 17 Jun 96

[FBIS Translated Excerpt] Belgrade, 17 Jun (TANJUG)—The Serbs in Slovenia are not asking for political autonomy but the right to their cultural and civilizational difference, which will be exercised in line with the relevant, generally accepted European standard and through closer links with the mother country [Serbia], it was said at a conference on the position of Serbs in Slovenia held in Sremski Karlovci [south of Novi Sad] recently and organized by the World Association of Serbs.

The Serb ethnic group, which makes up 2.44 percent of the Slovene population, does not exist formally and legally for the Slovene state and its status, just like the status of other former Yugoslav ethnic groups, is reduced to the term non-Slovenes, the conference heard. It was pointed out that additional difficulties were encountered in particular by Serbs who had not got Slovene citizenship and were therefore living in the new state illegally.

A class consisting of around 11,000 people, mostly Serbs (85 percent) has been created in this way; they, it was said, "can be harassed by any state institution, from the health care agency to the job center." These are for the most part former members of the Yugoslav National Army [former Yugoslavia's army], their family members and others living in Slovenia without any status, documents, or health care. [passage omitted]

Economic status, it was said at the conference, determines the social and cultural status of the Serbs, which is extremely bad owing to difficulties in contacting the mother country, insufficient use of cultural institutions, and the fact that the mother country does not have a representative in Slovenia. [passage omitted]

Janez Persic, lecturer at the Faculty of Philosophy in Ljubljana, who gave an historical review of the Serbs in Slovenia at the conference in Sremski Karlovci, told TANJUG that he "does not agree with the claims that Serbs are second-class citizens" [in Slovenia]. He also pointed out that the Slovene state did not have mechanisms for assimilation. [passage omitted]

It was concluded that the survival of Serb national, spiritual, and cultural consciousness in Slovenia depended primarily on the Serbs themselves, but also on the mother country, whose "representatives must appear in Slovenia as soon as possible."

Slovenia: Participation in Nuclear Smuggling Alleged

LD1806120296 Belgrade TANJUG in English 1016 GMT 18 Jun 96

[FBIS Transcribed Text] Trieste, June 18 (TANJUG)—Slovenia is part of the so-called Eastern Smuggling Transversal, operated by the most influential international networks for smuggling not only conventional but also nuclear weapons, the Trieste press has said.

The press said that partial results of a thorough investigation, disclosed by the Italian civilian and military intelligence services some time ago, had showed that radioactive material and parts of nuclear weapons had been smuggled via Slovenia.

A TANJUG correspondent has learnt that Italian high police officials asked the Slovenian Interior Ministry to assist them in detecting arms smugglers' routes via Slovenia a week ago.

The Italian investigation unveiled the involvement of Slovenian Defense and Interior Ministry officials in smuggling arms out of and via Slovenia.

A package of 30 grams of radioactive osmium, which was recently found in a place near Venice, was yet another proof of Slovenia's involvement in the international arms smuggling business since 1991, namely in smuggling arms for Croatia and later for Bosnian Muslims.

The Italian press said that osmium had been deposited in a bank safe that belonged to a son of Slovenian businessman Nicolas Oman, who is closely connected with the highest Slovenian state officials.

Federal

FRY: Government Assesses Florence Conference

LD1706190596 Belgrade TANJUG in English 1833 GMT 17 Jun 96

[FBIS Transcribed Text] Belgrade, June 17 (TANJUG)—The Yugoslav Government said on Monday [17 June] that the ministerial conference on the implementation of the Dayton Agreement in Florence on June 13-14 represented a further contribution to the strengthening and affirmation of the peace process.

Adopting a report on a Yugoslav delegation's participation in the conference, the Yugoslav Government stressed the importance of the implementation of the Dayton Agreement, especially of holding free elections in Bosnia-Herzegovina according to schedule (in mid-September) and securing freedom of movement and return of refugees, the Yugoslav information secretariat said in a statement.

The Yugoslav Government instructed the Foreign Ministry to continue its diplomatic activities aimed at promoting peace process and normalizing relations with the former Yugoslav republics.

The Office of Yugoslav Prime Minister Radoje Kontic said on Monday that intensive activities aimed at normalizing the Yugoslav-E.U. relations should continue and instructed the Foreign Ministry to set up an interdepartmental group to work on this issue.

Adopting a report by Yugoslav Foreign Minister Milan Milutinovic on talks with a E.U. delegation in Belgrade on June 7-8, the Yugoslav Government described the talks as very successful.

At the talks with the E.U. delegation, headed by Italian Foreign Minister Lamberto Dini, it was agreeed on further activities in the implementation of the Dayton Agreement, the government said.

The statement quoted the Yugoslav delegation as saying that the E.U. platform on strengthening regional cooperation and good neighbourly relations in the former Yugoslavia was based on the principles of equal treatment of Yugoslavia in comparison with the former Yugoslav republics.

The government said that a Yugoslav delegation to the June 11 Oslo conference, where the adoption of an agreement on subregional arms control was discussed, had consistently adhered to the government platform. The Yugoslav government's remarks to the text of the agreement were accepted at Oslo, the statement said.

FRY: FYROM Said To Have Unjust Territorial Claims at Border

AU1806115196 Belgrade EKSPRES POLITIKA in Serbo-Croatian 13 Jun 96 p 5

[Article by Tihomir Stojanovic: "AVNOJ With No Limits"]

[FBIS Translated Text] Recently, supported by the "inevitable" presence of the U.S. troops in UNPREDEP [UN Preventive Deployment Force], the Macedonian progovernment press has frequently considered "open questions" of the border and border areas between the Federal Republic of Yugoslavia [Serbia] and Republic of Macedonia [Former Yugoslav Republic of Macedonia, FYROM]. In order to justify their "grown appetites," they mention "historical facts" concerning the origin of the Prohor Pcinjski holy father, and the borders determined by AVNOJ [Anti-Fascist Council of National Liberation of Yugoslavia]....

Most recently they have been writing about Prohor Pcinjski monastery and about the territory on which the "Sar" cement plant was erected in Djeneral Jankovic. Strangely two months ago, when the Yugoslav-Macedonian agreement was signed, the Macedonian foreign minister said that there were no territorial disputes between the Federal Republic of Yugoslavia and the Republic of Macedonia. Ten days later the same minister told the Macedonian Assembly that disputes did exist.

Conditions for Normalization

In the press, among other things, the "AVNOJ key" is mentioned as a condition for the normalization of Yugoslav-Macedonian relations. That is probably the implementation of directions from Tudjman's Croatia and from Kucan's state [Slovenia], because indeed whoever saw the basic documents of the 2d Session of AVNOJ knows that there is no mention in them of the borders between the future federal units of Yugoslavia.

After all, it can be said with certainty that when Macedonia was still a part of the former Socialist Federal Republic of Yugoslavia, the Macedonian Assembly decided to ask at one of its sessions for demarcation with Serbia, and on that occasion it really revealed big territorial pretensions towards the Federal Republic of Yugoslavia (Serbia).

It is not disputable that there are some territorial disputes, but it can by no means be claimed that the Prohor monastery and the neighboring villages are disputable, or the territory of Djeneral Jankovic and the villages in its neighborhood. It is clear that those are parts of the territory of the Federal Republic of Yugoslavia (Serbia); and the session of ASNOM [Anti-Fascist Assembly of the National Liberation of Macedonia] that was held in Prohor Pcinjski monastery only speaks about the fact that partisan forces in Macedonia were not able not to secure that the session be held some other place. After all, does a session of a political body held on foreign territory give one the right to annex that territory automatically? "Historical truths" about Prohor Pcinjski monastery, which was placed under the jurisdiction of the Ohrid archbishopric in 1019 and the fact that the Prohor Pcinjski holy father came from the territory of today's Macedonia only proves that the Macedonian side is inconsiderately trying to get hold of something that does not belong to it, nor ever has.

Demarcation

The Macedonian progovernment media, like mirrors of official Macedonian policy, do not say anything about the disputable pastures on mount Sar Planina and the forests on mount Kopiljaca, which they have usurped, and it is obviously clear to them that that is not and cannot possibly be the territory of Macedonia.

After all, the Yugoslav-Macedonian agreement has been signed. What comes next is the demarcation between the two states, hopefully in a fair way and with respect for international law. Yugoslavia, of course, does not want any Macedonian territory, but it will also not give up any of its own territory.

Finally—why not say it?—when it comes to demarcation, the presence of the U.S. troops, i.e. of UNPREDEP, will not be much use for Macedonia. Their presence, like that of the soldiers of other countries on the territory of Macedonia, is not the problem of the Federal Republic of Yugoslavia, but a purely internal affair of Macedonia. The demarcation between states concerns the states in question. We believe that, if it wants peaceful borders, Macedonia will constructively cooperate with the organs of the Federal Republic of Yugoslavia.

FRY: Chamber of Citizens Passes Electoral Changes

AU1806122496 Belgrade Radio Beograd Network in Serbo-Croatian 1200 GMT 18 Jun 96

[FBIS Translated Excerpt] The Federal Assembly Chamber of Citizens passed the changes to the law on electoral units according to which Serbia will, in the future, have 29 electoral units instead of nine, and Montenegro will have seven electoral units instead of one.

To remind you, the Chamber of Republics adopted these changes to the law at the end of May. [passage omitted]

FRY: Karadzic Reportedly Might Stand as Candidate in Elections

LD1406163596 Belgrade SRNA in Serbo-Croatian 1502 GMT 14 Jun 96

[FBIS Translated Text] Rome, 14 Jun (SRNA)—We are prepared to extradite Radovan Karadzic and Ratko Mladic only if we are presented with irrefutable proof that they have committed war crimes. Never and under no circumstances will we accept accusations that are, to put it simply, of a political nature, Serb Prime Minister Gojko Klickovic said in Florence today.

At today's news conference Klickovic reacted strongly to the speech by the president of the Hague tribunal, pointing out that the tribunal was a political institution and that this had been confirmed by yesterday's statements by Antonio Cassese.

"The government of the Serb Republic wants all war criminals punished, but it does not want them put on trial before a political court, such as the one in The Hague, but at a court of justice where their possible crime could be proved," Klickovic said.

Speaking about Radovan Karadzic, the president of the Serb Republic, Klickovic emphatically told the assembled journalists that Karadzic was a democrat who respected authorities at all levels, and that at the moment he was not interested in any political post.

"However, this does not mean that he might not stand as a candidate at the upcoming elections, or retain a state post," the prime minister said.

Klickovic pointed out that IFOR [Implementation Force] knew that it will not be able to arrest either Karadzic or General Ratko Mladic, the chief of the General Staff of the Bosnian Serb army, as not only the Serb police and army were protecting them, but all the citizens of the Serb Republic.

The prime minister concluded the news conference by saying that the president of the Serb Republic will himself decide whether to run as a candidate or not and that at the moment he was busy organizing the Serb Democratic Party and establishing contacts with international investors in order to help the economy.

"In any case, Karadzic will not leave his post as long as the independent Serb state on the left bank of the River Drina remains unstable," Klickovic said.

Serbia

Serbia: DS Spokesman Says SPS Trying 'To Strangle' Media

AU1706154996 Belgrade BETA in Serbo-Croatian 1159 GMT 17 Jun 96

[FBIS Translated Text] Belgrade, 17 June (BETA)—Democratic Party (DS) spokesman Slobodan Vuksanovic today said that "the media blockade imposed by the Socialists represents a reflection of the overall policy of the Serbian regime." In the statement carried by the party's Information Service, he said that "over the past six years, the media in Serbia have never been blocked as much as they are today."

"The Socialists' need to strangle all the independent media demonstrates the ruling party's insecurity," Vuksanovic said, adding that "such conduct is becoming harmful to the Socialist Party of Serbia [SPS] because the citizens no longer believe the staged reports on the state media."

He said that "one of the first tasks of the united democratic opposition after its victory at the elections will be to organize the media scene in Serbia so as to place our country among the ranks of civilized countries and to have the media serve the citizens."

Kosovo

Kosovo: Policeman Killed in Attack on Police Patrol

LD1806111696 Belgrade TANJUG Domestic Service in Serbo-Croatian 1008 GMT 18 Jun 96

[FBIS Translated Text] Kosovska Mitrovica, 18 Jun (TANJUG)—One traffic policeman was killed and another seriously injured in an attack last night on an official vehicle of the Ministry of the Interior in Kosovska Mitrovica, TANJUG learned today from the judge leading the investigation at the district court in Kosovska Mitrovica.

Around 2345 last night in the area of Sipolje, near Kosovska Mitrovica, in the vicinity of the Vodovod Ibar public company, unknown persons fired at an official police vehicle from Kosovska Mitrovica.

Four bullets hit the vehicle. Traffic policeman Predrag Djordjevic, 32, who was in the passenger's seat, was killed instantly. The driver, Zoran Vukojevic, 30, also a traffic policeman, was seriously injured and transported to the hospital in Pristina. He was operated on there and is in a critical condition.

Judging from traces at the scene of the crime, it is assumed there were at least two assailants firing from an automatic weapon of 7.62 mm caliber and another weapon of 7.9 mm caliber.

Kosovo: Serb Policeman Injured by Albanian 'Terrorist'

LD1706161196 Belgrade TANJUG in English 1533 GMT 17 Jun 96

[FBIS Transcribed Text] Podujevo, Yugoslavia, June 17 (TANJUG)—Serb policeman Goran Mitrovic was wounded in the leg in Podujevo late Sunday as an ethnic Albanian terrorist opened submachine fire on him.

Mitrovic was wounded around 10 p.m. local time (2000 GMT) in an unlit street near the bus station in Podujevo, in Serbia's southern province of Kosovo and Metohija, reliable sources told TANJUG.

An intensive search for the terrorist is underway.

Over the past five years, some ten cases of assaults on Serb policemen in and around Podujevo have been registered.

Five policemen were killed and another five people wounded, policemen as well as civilians, in a series of synchronised terrorist attacks carried out throughout Kosovo and Metohija since April 21.

The police is still looking for those responsible for the attacks.

An illegal ethnic Albanian terrorist organisation that calls itself 'the liberation army of Kosovo' claimed responsibility for the latest attack.

The organisation, unknown up to this point, announced a series of similar terrorist actions in a BBC programme in Albanian language.

The Belgrade daily VECERNJE NOVOSTI quoted in early May the organisation as saying in the announcement also that the armed conflict in Kospvo and Metohija would resume and that it would spread throughout the Balkans.

A strong ethnic Albanian separatist movement has for decades been active in Kosovo and Metohija where ethnic Albanians account for 90 percent of the population.

The movement's leaders have proclaimed the illegal 'republic of Kosovo' and are trying to detach the province from Serbia and its parent state Yugoslavia and to attach it to neighbouring Albania.

To achieve this goal, ethnic Albanian separatists have not hesitated to launch terrorist attacks.

Kosovo: 'Tense' Situation After Serb Allegedly Killed

AU1706180796 Tirana TVSH Television Network in Albanian 1635 GMT 17 Jun 96

[FBIS Translated Text] Reports arriving from Kosova confirm new tensions. In Podujeve [Podujevo] and in several villages of this commune, the Serbian police last night undertook a vast repressive campaign. It is again a question of phantom culprits, while repression is very real. There are reports on the maltreatment and arrest of many Albanian citizens. For more, here is a telephone report by our correspondent Qani Mehmedi from Prishtina [Pristina]:

[Mehmedi] It was learned from Podujeve that this repressive campaign was undertaken following several firearm shots at a Serbian police car that was found on Naim Frasheri Street. This act occurred at about 2200 [2000 GMT] on Sunday [16 June]. After the shots, increased police forces, who meanwhile arrived from Prishtina as well, blocked Podujeve and all streets leading to the city, cordoned off the area, and searched the houses that were close to the scene of the incident. The police also stopped cars and casual passersby.

The search into citizens' house and the abuse by the police continued from 2300 until the morning of Monday [17 June] and many citizens were arrested and questioned.

The Information Commission of the Democratic League of Kosova branch in Podujeve reports that Serbian police mistreated 19 persons, three of whom in the presence of their family members.

It was also reported that the number of those mistreated and arrested is even higher. After the mistreatment at the Serbian police station in Podujeve, the majority of the people arrested were obliged to seek medical aid.

From those injured, the driver of ZERI journal Bejtush Halimi suffered the worst. He declared to the Kosova Information Center that some meters before reaching Prishtina-Nis Street, 10 policemen ordered him to get out of the car and immediately started to beat him in the presence of his wife.

Many other citizens, who were passing by, were treated in the same manner. Some of those who were mishandled declared that the Serbian police had told them the reason for these heavy beatings is the alleged killing of a Serbian policeman, for which no Serbian-installed official authority has so far given any official communiqui.

The situation in Podujeve continues to be very tense.

Kosovo: Vendors Reach Agreement With Serbs, End Strike

AU1706193596 Tirana TVSH Television Network in Albanian 1635 GMT 17 Jun 96

[FBIS Translated Text] After a strike that lasted over two months, the Albanian traders in Prishtina [Pristina] will start work tomorrow. Ramadan Mucolli has the report:

[Mucolli] The leaders of the Traders Association report that a final agreement was reached today with the Serbian violent leadership of the market, after almost all the strikers' demands were met. The price for one stall to sell fruits and vegetables will vary from 450 to 630 dinars a month, while the counters for selling technical equipment and clothing will cost between 550 and 650 dinars. According to the agreement, the traders will be exempt from daily taxes, except for vendors selling fruits and vegetables, who will pay 6 percent of the goods' value. These prices will be guaranteed throughout the year.

The market authorities have declared to the strike representatives that all the stalls that were in the meantime occupied by new traders will be freed as of tomorrow.

This announcement will undoubtedly please the Prishtina inhabitants as they had supply difficulties while Prishtina's large market was shut down due to the strike by Albanian vendors.

Kosovo: LPK Attacks Rugova's 'Megalomaniac' Stance on Albania

AU1806065796 Zurich BOTA SOT in Albanian 14 Jun 96 p 2

["Communique" of the Popular Movement of Kosova: "The Agreement of Political Forces in Albania Also Assists Kosovo"]

[FBIS Translated Text] The Popular Movement of Kosova [LPK] has issued a public communique in which it analyzes the latest developments in Albania, particularly after the triumph of the democratic forces there. Among other things, the communique states:

"As defined in its program, the LPK has remained unbiased regarding the 26 May elections for the third legislature in Albania. The LPK thinks that elections in Albania should be put on a good course, the violence that is being perpetrated against the opposition should be halted, and an agreement should be reached in order to stabilize the situation, let the country prosper, and make the life of the citizens and party activity safe. The improvement of the situation and of Albania's image in the world can also help the enslaved part of the Albanian nation.

"We consider the intervention by the international community, and particularly that of the European community, in establishing a democratic life in Albania to be useful for ensuring calm in Albania.

"We think that it would have been more useful for Albania not to expect interventions from abroad regarding the implementation of the agreements that Albania has signed with international organizations, but to establish a dialogue among the political forces in Albania and reach a fraternal agreement on the issues put forward.

"The LPK condemns the stance maintained by Ibrahim Rugova and the Democratic League of Kosova [LDK] Presidency, as well as by some leaders of political parties in Kosova, toward the electoral campaign in Albania and the postelection situation. One cannot consider an electoral victory as the victory of any party against another in Albania, as these leaders consider it an epochal and fundamental victory for Albania. This was the third regular election.

"Albania took the momentous turn a long time ago. Kosova's one-sided intervention into the political life in Albania is the worst service for the independent and democratic Albania.

"Ibrahim Rugova and his followers have maintained a megalomaniac stance toward Albania. Before Albania, they pretend that they have carried out all the tasks of Kosova and that nothing else is left for them but to boast to Albania. They give themselves the right to seek dialogue and reach agreements with Milosevic, a war criminal, but not with our brothers in various political parties in Albania, who are all Albanians.

"Moreover, they call on them to turn against each other.

"In fact, today, the people of Kosova are on the eve of expanding the war, but this seems not to be regarding the self-styled president. He compensates for the war that he does not stage against Serbia with a war between Albanians in Kosova and Albania. By diverting attention from the issues of the Albanian nation, above all that of the liberation of Kosova, and by concentrating on Albania, precisely as Serbia wishes, President Rugova aims to preserve the status quo that, in Kosova's present circumstances, will mean the continuation of robbery," the communique stresses.

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